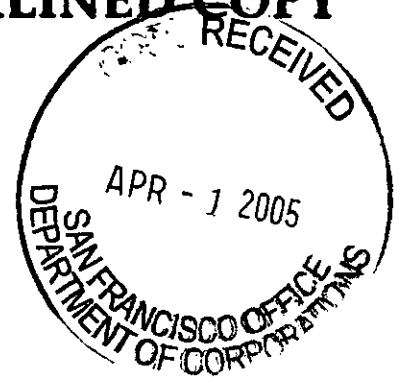


BLACKLINED COPY



BATTERIES PLUS®

UNIFORM FRANCHISE OFFERING CIRCULAR



FRANCHISE OFFERING CIRCULAR

Batteries Plus 

BATTERIES PLUS, L.L.C.
A Wisconsin Limited Liability Company
925 Walnut Ridge Drive, Suite 100
Hartland, WI 53029
(262) 912-3000

Batteries Plus, L.L.C. offers individual and multiple unit franchises for the operation of Batteries Plus® stores ("Stores"), selling batteries and battery-related items for the retail consumer and commercial accounts.

The initial fee varies depending upon whether you are acquiring the rights to an individual Store or the rights to operate more than one Store within a designated territory. The multiple unit territory fee is \$9,000 for each Store that you agree to establish under a Multiple Unit Franchise Agreement. This territory fee for each Store will be credited against the applicable initial franchise fee for that Store. The initial franchise fee under an individual Store Franchise Agreement is \$30,000. If you acquire the right to build and operate three Stores under a Multiple Unit Franchise Agreement, the total initial franchise fee for the three Stores is \$70,000. If you acquire the rights to build and operate three Stores under a Multiple Unit Franchise Agreement, the total initial franchise fee for the three Stores is \$70,000. The estimated initial investment for a single unit Store ranges from ~~\$179,300~~ 176,485 to ~~\$315,300~~ 327,485. These figures are approximate and vary from location to location and do not include real estate (land and building) costs.

RISK FACTORS:

1. THE FRANCHISE AGREEMENT AND MULTIPLE UNIT FRANCHISE AGREEMENT REQUIRE THAT ALL DISPUTES BE SUBJECT TO NON-BINDING MEDIATION IN HARTLAND, WISCONSIN, THEN BINDING ARBITRATION IN MILWAUKEE, WISCONSIN. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST YOU MORE TO MEDIATE OR ARBITRATE WITH US IN WISCONSIN THAN IN YOUR HOME STATE.

2. EXCEPT FOR FRANCHISES SUBJECT TO ILLINOIS OR NORTH DAKOTA LAW, THE FRANCHISE AGREEMENT AND MULTIPLE UNIT FRANCHISE AGREEMENT REQUIRE THAT ANY DISPUTE NOT SUBJECT TO ARBITRATION WILL BE LITIGATED IN THE STATE OR FEDERAL COURTS IN WAUKESHA COUNTY WISCONSIN. OUT OF STATE LITIGATION MAY FORCE YOU TO EXCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST MORE TO LITIGATE IN WISCONSIN THAN IN YOUR HOME STATE.

3. THE MULTIPLE UNIT FRANCHISE AGREEMENT CONTAINS CERTAIN MINIMUM DEVELOPMENT REQUIREMENTS. IF YOU DO NOT ATTAIN OR MAINTAIN THESE REQUIREMENTS, THE FRANCHISOR MAY TERMINATE THAT AGREEMENT.

4. YOU WILL LOSE YOUR PROTECTED TERRITORY IF YOU FAIL TO MAINTAIN MINIMUM NET REVENUE REQUIREMENTS FOR TWO CONSECUTIVE YEARS AS FURTHER DESCRIBED IN ITEM 12.

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Information about comparisons of franchisors is available. Call the State Administrators listed in Exhibit G or your public library for sources of information.

Registration of this franchise with the state does not mean that this state recommends or it has verified the information in this Offering Circular. If you learn that anything in this Offering Circular is untrue, contact the Federal Trade Commission and the state authority listed in Exhibit G.

The Effective Date of this Offering Circular is printed on page (vi) of this Offering Circular.

FRANCHISE OFFERING CIRCULAR

(New York Cover Page)



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RISK FACTORS:

1. THE FRANCHISE AGREEMENT AND MULTIPLE UNIT FRANCHISE AGREEMENT REQUIRE THAT ALL DISPUTES BE SUBJECT TO NON-BINDING MEDIATION IN HARTLAND, WISCONSIN, THEN BINDING ARBITRATION IN MILWAUKEE, WISCONSIN. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST YOU MORE TO MEDIATE OR ARBITRATE WITH US IN WISCONSIN THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT AND MULTIPLE UNIT FRANCHISE AGREEMENT REQUIRE THAT ANY DISPUTE NOT SUBJECT TO ARBITRATION WILL BE LITIGATED IN THE STATE OR FEDERAL COURTS IN WAUKESHA COUNTY WISCONSIN. OUT OF STATE LITIGATION MAY FORCE YOU TO EXCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST MORE TO LITIGATE IN WISCONSIN THAN IN YOUR HOME STATE. THIS FACTOR SHOULD BE TAKEN INTO ACCOUNT IN DETERMINING WHETHER OR NOT TO PURCHASE THIS FRANCHISE.

3. THE MULTIPLE UNIT FRANCHISE AGREEMENT CONTAINS CERTAIN MINIMUM DEVELOPMENT REQUIREMENTS. IF YOU DO NOT ATTAIN/MAINTAIN THESE REQUIREMENTS, THE FRANCHISOR MAY TERMINATE THAT AGREEMENT.

4. YOU WILL LOSE YOUR PROTECTED TERRITORY IF YOU FAIL TO MAINTAIN MINIMUM NET REVENUE REQUIREMENTS FOR TWO CONSECUTIVE YEARS AS FURTHER DESCRIBED IN ITEM 12.

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THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS, PROVIDED THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO REQUIRE A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE STATED IN THIS PROSPECTUS.

The Effective Date of this Offering Circular is printed on page (vi) of this Offering Circular.

THIS NEW YORK COVER PAGE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF NEW YORK OR LOCATE THEIR FRANCHISE IN NEW YORK.

FTC STATES
EFFECTIVE: MARCH 31, 2004~~2005~~

ALABAMA
 ALASKA
 ARIZONA
 ARKANSAS
 COLORADO
 CONNECTICUT
 DELAWARE
 DISTRICT OF COLUMBIA

FLORIDA
 GEORGIA
 IDAHO
 IOWA
 KANSAS
 KENTUCKY
 LOUISIANA
 MAINE
 MASSACHUSETTS
 MISSISSIPPI
 MISSOURI

MONTANA
 NEBRASKA
 NEVADA
 NEW HAMPSHIRE
 NEW JERSEY
 NEW MEXICO
 NORTH CAROLINA
 OHIO

OKLAHOMA
 OREGON
 PENNSYLVANIA
 SOUTH CAROLINA
 TENNESSEE
 TEXAS
 UTAH
 VERMONT
 WEST VIRGINIA
 WYOMING

FRANCHISE REGISTRATION STATES
EFFECTIVE DATES

CALIFORNIA	April 5, 2004 _____, 2005
HAWAII	April 3, 2004 _____, 2005
ILLINOIS	March 29, 2004 _____, 2005
INDIANA	April 30, 2004 _____, 2005
MICHIGAN	March 31, 2004 2005
MINNESOTA	April 5, 2004 _____, 2005
NEW YORK	April 16, 2004 _____, 2005
NORTH DAKOTA	April 26, 2004 _____, 2005
RHODE ISLAND	March 31, 2004 _____, 2005
SOUTH DAKOTA	March 31, 2004 _____, 2005
VIRGINIA	April 8, 2004 _____, 2005
WASHINGTON	April 30, 2004 _____, 2005
WISCONSIN	April 1, 2004 <u>March 31, 2005</u>

**NOTICE REQUIRED
BY
STATE OF MICHIGAN**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, 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 protections 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.

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

- (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 subfranchisor.

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

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

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market 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 the Department of Attorney General, State of Michigan, 670 Law Building, Lansing, Michigan 48913, telephone (517) 373-7117.

BATTERIES PLUS, L.L.C.
A Wisconsin Limited Liability Company
925 Walnut Ridge Drive, Suite 100
Hartland, Wisconsin 53029
(262) 912-3000

**INFORMATION FOR PROSPECTIVE FRANCHISEES
REQUIRED BY THE FEDERAL TRADE COMMISSION**

TO PROTECT YOU, WE'VE REQUIRED YOUR FRANCHISOR TO GIVE YOU THIS INFORMATION. WE HAVEN'T CHECKED IT, AND DON'T KNOW IF IT'S CORRECT. IT SHOULD HELP YOU MAKE UP YOUR MIND. STUDY IT CAREFULLY. WHILE IT INCLUDES SOME INFORMATION ABOUT YOUR CONTRACT, DON'T RELY ON IT ALONE TO UNDERSTAND YOUR CONTRACT. READ ALL OF YOUR CONTRACT CAREFULLY. BUYING A FRANCHISE IS A COMPLICATED INVESTMENT. TAKE YOUR TIME TO DECIDE. IF POSSIBLE, SHOW YOUR CONTRACT AND THIS INFORMATION TO AN ADVISOR, LIKE A LAWYER OR AN ACCOUNTANT.

THERE MAY ALSO BE LAWS ON FRANCHISING IN YOUR STATE. ASK YOUR STATE AGENCIES ABOUT THEM.

EFFECTIVE DATE: See Effective Date on Page (vi) Above.

**FEDERAL TRADE COMMISSION
WASHINGTON, DC 20580**

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EXHIBITS

EXHIBIT A	-	Statement of Average Net Sales/Merchandise Margin Percentage
EXHIBIT B	-	Financial Statements
EXHIBIT C	-	Multiple Unit Franchise Agreement
EXHIBIT D	-	Franchise Agreement <u>(and exhibits)</u>
EXHIBIT E	-	List of Franchise Stores and Former Franchisees
EXHIBIT F	-	List of Franchise Brokers/Lead Referral Sources
EXHIBIT G	-	List of State Administrators; Agents for Service of Process
EXHIBIT H	-	State-Specific Addenda
EXHIBIT I	-	Disclosure Acknowledgment Agreement
EXHIBIT J	-	Receipt

ITEM 1

THE FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

To simplify the language in this Offering Circular, “we” and “Batteries” means Batteries Plus, L.L.C., the franchisor. “You” means the person who buys the franchise. If a corporation, partnership or limited liability company buys a franchise, “you” also may refer to the shareholders of the corporation, partners of the partnership or members of the limited liability company.

The Franchisor

Batteries is a Wisconsin limited liability company formed on August 30, 1996. Our principal place of business is at 925 Walnut Ridge Drive, Suite 100, Hartland, Wisconsin 53029; telephone number is (262) 912-3000. Our agents for service of process are disclosed in Exhibit G.

Our Business Experience and Predecessor

Batteries was formed as a result of a conversion of Batteries Plus, Limited Partnership, a Wisconsin limited partnership (“BP Limited Partnership”), in August 1996. BP Limited Partnership, our predecessor, was formed on September 11, 1991 (it is no longer active). Batteries previously operated as a division of the limited partner, Packerland Automotive Group, Inc., and opened its first retail Batteries Plus® store on November 17, 1988.

We operate retail battery stores under the name “Batteries Plus” (“Stores”) and sell franchises for the operation of Batteries Plus® Stores. We operate 14 Stores that are substantially similar to the franchised Stores. BP Limited Partnership offered franchises for Stores from April 1992 to August 1996. We have offered franchises for Batteries Plus® Stores since August 1996. Neither Batteries, nor our affiliate or predecessor, has ever offered franchises for any other type of business. A Store will have an inventory of between 800 and 1,100 different types of batteries and related products available for the customer for everything from calculators to aircraft.

Our Affiliate

Ascent Battery Supply, L.L.C., a Wisconsin limited liability company (“Ascent”) is our affiliate and wholly-owned subsidiary that acquires batteries and other related products from suppliers for redistribution to Batteries Plus® franchisees through designated or approved third-party suppliers. Ascent was formed under the name “Tarron, L.L.C.” on January 21, 1999. On January 1, 2003, the entity changed its name to “Ascent Battery Supply, L.L.C.” Ascent’s principal business address is 925 Walnut Ridge Drive, Suite 100, Hartland, WI 53029 (see Item 8 for further discussion).

Market and Competition

A Store will have an inventory of between 800 and 1,100 different types of batteries and related products available for the customer for everything from calculators to aircraft. The

typical customer includes virtually any individual who needs batteries and related products for home or automobile use as well as any business (commercial accounts) that needs batteries and related products in the operation of their business. We also have established a national accounts program through which we and our franchisees can service commercial accounts operating through multiple unit locations in two or more states. (See Item 12 for more information.)

Your competition will include other retailers of automotive parts, accessories and supplies, including auto supply stores, department stores, discount stores and general merchandise stores and other franchises offering different lines of batteries. The concept of having a one-stop battery store offering the consumer a complete line of batteries had not been previously developed until we started our concept.

Franchise Offered

If you are a Multiple Unit Franchisee, you will receive the exclusive right to open a certain number of Stores over a defined period of time in a defined area, as we determine, on the basis of the market potential and the size of the designated area. The term of your Multiple Unit Franchise Agreement generally will not be longer than 3 years and will require you to purchase or lease the approved location of the first store within 6 months from the date of your Multiple Unit Franchise Agreement and open your first Store within 9 months from the date of your Multiple Unit Franchise Agreement and open your second Store within 24 months from the date of your Multiple Unit Franchise Agreement.

If you are an individual unit franchisee, you will receive the right to own and operate a Store at a location we approve, offering the products and services we approve and using our formats, designs, methods, specifications, standards, operating and marketing procedures and the "Licensed Marks" (as defined in Item 13) including "Batteries Plus" (collectively, the "System").

Laws, Licenses and Permits

You should be aware of zoning ordinances and regulations in your proposed territory. In certain areas of the country and affected municipalities, you may be prohibited from installing automobile batteries outside your Store.

Many states have enacted statutes that regulate the sale and disposal of batteries sold at your Store. All states prohibit retailers from discarding nickel cadmium batteries, as they must be recycled. You should check your state statutes to determine the measures you must take to comply with legislation in your state. In addition, several states impose environmental taxes on nickel cadmium batteries. We fully expect that regulations eventually will be adopted throughout all states requiring the recycling of nickel cadmium batteries. We are a sublicensee of the National NiCad recycling program. Spent batteries are sent to IMETCO (a recycling company funded by various battery manufacturers) for recycling.

Laws in all states require the collection of lead-acid batteries and most states have laws that require a point-of-sale notice, deposit or battery disposal fee for lead-acid batteries. Most of the state lead-acid battery laws were designed to remove automotive or starting, lighting and ignition ("SLI") batteries from the solid waste stream. Because many of these state laws were written using broad language, they often unintentionally encompass some types of sealed lead-

acid ("SLA") batteries. In addition, several states have enacted laws requiring similar information pertaining to Ni-Cad batteries. The laws covering Ni-Cad batteries specifically target dry cell nickel-cadmium batteries.

SLI spent batteries are classified as a hazardous waste and regulated by the Environmental Protection Agency. The Environmental Protection Agency adopted the Universal Waste Rule (the "Rule") to encourage recycling and proper disposal of certain common hazardous waste and to reduce the regulatory burden on businesses that generate these wastes. Universal wastes include batteries which are generated by small and large businesses. Our recycling policies comply with the Rule and with the Mercury-containing and Rechargeable Battery Act ("Battery Act") adopted in May 1996. The policies are disclosed in our Operations Manual. Our policies address proper handling, storage and disposal of universal waste batteries. You may only send waste batteries to a universal waste handler, or a destination facility or a foreign destination. Our Operations Manual lists the potential battery consolidators and disposal facilities. You also should check your state and local authorities for a listing of battery consolidators and disposal facilities. The Battery Act pre-empts state law by automatically subjecting certain types of batteries to the Rule.

Each Store must comply with these laws, and we urge you to become familiar with these specific laws and regulations governing the operation of a Store in your state. You also should check your state and local authorities to determine if there are additional requirements.

ITEM 2

BUSINESS EXPERIENCE

Chief Executive Officer: Russell Reynolds

Mr. Reynolds has been Chief Executive Officer of Batteries since July 2001. From February 2000 to June 2001, he was Chief Operating Officer for Batteries. Mr. Reynolds also has been a member of the Operating Committee for Batteries since February 2000. ~~From June 1994 to February 2000, Mr. Reynolds was Vice President and General Manager of the Automotive Battery Division for GNB Technologies in the United States, Australia, New Zealand and the Pacific Rim.~~

Chief Operating Officer: Thomas E. Knab, Jr.

Mr. Knab has been Chief Operating Officer of Batteries since April 2002. From June 1991 to April 2002, he held various positions with BankOne Corporation in Appleton, Wisconsin, including that of Senior Vice President, Group Executive and Market President, from January 1999 to April 2002.

Chief Financial Officer: Craig Cooper

Mr. Cooper has been Chief Financial Officer of Batteries Plus since February 2003. From April 2002 to February 2003, he was Group Vice President, Integration for Corporate Express, a Bloomfield, Colorado-based business office products company. Mr. Cooper held various positions with US Office Products, a Washington, DC-based office products distribution

company, from 1995 to April 2002, including that of Interim Divisional President from January 2001 to April 2002.

Vice President of Franchise Administration and Development: Linda Grota

~~Mrs. Grota has held various positions at Batteries since August 1988, including that of Vice President of Franchise Administration from July 1996 to May 1999 and from January 2000 to September 2001, and Vice President of Franchise Administration and Development since September 2001.~~

Vice President IT/Chief Information Officer: Michael Lehman

~~Mr. Lehman has been Vice President of Information Technology of Batteries since December 2000. From January 2000 to December 2000, he was Information Systems Director for Batteries. From October 1995 to January 2000, he was Information Systems Director for Ultra Mart in Menomonee Falls, Wisconsin.~~

Vice President of Marketing and Merchandising: Lee D. Hessenthaler

~~Mr. Hessenthaler has been Vice President of Marketing and Merchandising of Batteries since November 2002. From January 2000 to October 2002, he was Director of Marketing for Kaseh Merchandising, Inc., a Mequon, Wisconsin-based wholesale distributor of consumer products. From August 1996 to July 1999, Mr. Hessenthaler was Vice President of Marketing for Northland Cranberries, Inc., a Wisconsin Rapids, Wisconsin-based grower, processor and marketer of cranberries.~~

Mr. Lehman has held various positions at Batteries since January 2000, including that of Chief Information Officer since March 2004.

Vice President of Corporate Store Performance: James T. Lauterbach

Mr. Lauterbach has been Vice President of Corporate Store Performance of Batteries since July 2002. From November 1993 to July 2002, he was District Manager for OfficeMax, Inc. in Brookfield, Wisconsin.

Director of Growth and Store Development Executive: Dennis M. FischerMichael S. Jankowski

~~Mr. FischerJankowski has been Director of Growth and Store Development Executive of Batteries since September 2004. From June 2003. From September 2003 to March 2003, he was Regional Sales Manager for Folding Guard Company in Chicago, Illinois. Mr. Fischer was employed in automobile sales with Concours Motors in Milwaukee, Wisconsin from March 2002 to September 2002. From January 1996 to January 2002, he was Regional Sales Vice President/Global Accounts for Rite Hite Corporation2003 to September 2004, he was a Field Consultant for Batteries. From November 1998 to May 2003, Mr. Jankowski was Senior Account Manager/Assistant Vice President for Perot Systems/CSRG in Milwaukee, Wisconsin.~~

Franchise Development Manager and Support Executive: Wayne Nelson

Mr. Nelson has held various positions at Batteries since July 2002, including that of Franchise Development and Support Executive since November 2004. From August 1999 to July 2002, he was Credit Supervisor for Alliance Laundry Systems in Ripon, Wisconsin.

Director of Store Development: Dennis Srenaski

Mr. Srenaski has been Director of Store Development of Batteries since January 2005. From January 2004 to December 2004, he was Director of Real Estate for Batteries. From January 2002 to December 2003, Mr. Srenaski was Director of Real Estate for ShopKo Stores, Inc. in Green Bay, Wisconsin.

Franchise Development Executive: Rod Tremelling

Mr. Tremelling has held various positions at Batteries since September 1994, including that of Franchise Development Manager Executive since April 2003-November 2004.

Secretary/Treasurer: Mark F. Hein

Mr. Hein has been Secretary/Treasurer of Batteries and a member of our Operating Committee since August 1996. He also has been Secretary, Treasurer and Director of BP Holdings, Inc. (f/k/a Packerland Automotive, Inc.) since August 1996.

Member of Operating Committee: Alan J. Epstein

Mr. Epstein has been a member of the Operating Committee of Batteries since August 1996. He also has been an attorney with the firm of Jackaway, Tyerman, Wertheimer, Austen, Mandelbaum & Moris, P.C. (f/k/a Armstrong, Hirsch, Jackoway, Tyerman & Wertheimer, P.C.) in Los Angeles, California since May 1990.

Member of Operating Committee: Theodore R. Rolfs

Mr. Rolfs has been a member of the Operating Committee of Batteries since August 1996 and has been partner of Crimson Capital Company, located in Milwaukee, Wisconsin, since January 1993.

Chairman Emeritus: Ronald C. Rezetko

Mr. Rezetko has been Chairman Emeritus of Batteries since July 2001 and a member of our Operating Committee since August 1996. He was Primary Manger and Chief Executive Officer of Batteries from August 1996 to June 2001.

Franchise Brokers: See List on Exhibit F

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Offering Circular regarding us, our personnel disclosed in Item 2 or any predecessor or affiliate of ours. Any litigation required to be disclosed in this Offering Circular regarding any franchise broker is disclosed in Exhibit F – the Franchise Broker Exhibit.

ITEM 4

BANKRUPTCY

No person previously identified in Items 1 or 2 of this Offering Circular has been involved as a debtor in proceedings under the U.S. Bankruptcy Code required to be disclosed in this Item.

ITEM 5

INITIAL FRANCHISEE FEE

We offer an individual unit franchise and territory development rights under a multiple unit franchise. ~~The initial franchise fee~~ “Initial Franchise Fee” for an individual unit franchise is \$30,000 for each Store. If you sign a Multiple Unit Franchise Agreement, ~~the multiple unit territory fee~~ “Multiple Unit Territory Fee” is \$9,000 for each Store you agree to establish under the Development Schedule. ~~The multiple unit territory fee~~ Multiple Unit Territory Fee that you pay for each Store will be credited against the applicable ~~initial franchise fee~~ for that Store. ~~The multiple unit territory fee and the initial franchise fee~~ Initial Franchise Fee for that Store. The Multiple Unit Territory Fee and the Initial Franchise Fee must be paid in certified funds or by wire transfer and are not refundable under any circumstances. We provide a program which allows for the payment of a discounted Initial Franchise Fee if you are willing to commit to open three Stores. The total Initial Franchise Fee for this program is \$70,000. Under this program, you would pay \$48,000 at the time you sign the Franchise Agreement for the first Store and the Multiple Unit Franchise Agreement, \$30,000 of which is the Initial Franchise Fee for the first Store, and \$18,000 of which is the Multiple Unit Territory Fee for the second and third Stores. The balance is due in equal installments when you sign Franchise Agreements for the second and third Stores. If you participate in this program in order to receive a discounted multiple Store Initial Franchise Fee, the Multiple Unit Territory Fees are not refundable under any circumstances.

In addition to the initial franchise fee, you will pay us a computer access and “POS System” development fee of ~~\$8,295~~ \$8,990 related to your use of the Counterpoint® Proprietary Software and a computer access fee of ~~\$1,495~~ related to your use of the Pro Source™ Proprietary Software. (See “Point-of-Sale System” under Items 7 and 11 for further information.) You must pay ~~this fee~~ these fees on or before the date you open your Store for business. ~~This~~ These computer access and POS System development ~~fee~~ is/fees are not refundable under any circumstances.

ITEM 6
OTHER FEES

NAME OF FEE	AMOUNT (See Note 1)	DUE DATE	REMARKS
Royalty and Service Fee	4% of total Net Revenues. (See Note 2)	Payable monthly <u>by electronic funds transfer</u> on or before the 10 th day of the month following month in which sales were made.	
Income and Sales Taxes	Batteries We may collect from you the cost of all taxes arising from our licensing of intellectual property to you in the state where your Store is located, as well as any assessment on fees and any other income we receive from you.	Payable monthly <u>with by electronic funds transfer at same time as royalty fees and service fee.</u>	Only imposed if state collects these taxes or assessments.
National Marketing and Promotional Fee ("NMF Fee")	1% of total Net Revenues	Payable <u>by electronic funds transfer</u> at same time as royalty and service fee.	Used for national marketing and promotional activities. See Item 11
Local Advertising	Minimum amount, when combined with cooperative advertising expenses, is 4% of total Net Revenues; but must spend a minimum of \$25,000 <u>20,000</u> in first year of operation, with 60% to be spent in 90-day <u>120 days of Store operations on Store opening campaign.</u>	Minimum amount must be spent during each calendar year (except for 90-day requirement for grand <u>Store</u> opening campaign).	See Note 3
Advertising Cooperative	Maximum of 4% of Net Revenues	Established by Batteries or franchisees	Contributions to Advertising Cooperative are used for regional and local advertising and are credited to your obligation to spend 4% of Net Revenues on local advertising. See Note 3
Development Schedule Extension Fee (See Note 4)	\$2,500 per Store for a 6-month extension	Payable when you request an extension to the Development Schedule under the Multiple Unit Franchise Agreement.	Limited to a single 6-month extension per Store (<u>if we allow extension</u>). Credited back to you if Store opens by extension deadline.
Franchise Agreement Extension Fee (See Note 5)	\$2,500 for a 6-month extension	Payable when you request an extension of time in which to open the Store.	Limited to a single 6-month extension to the time period in which to open the Store (<u>if we allow extension</u>).
Change of Location Fees	\$3,000 <u>3,500</u>	Payable before we review the proposed new Store site.	Payable if you desire to change the location of your Store. <u>Also, see Note 7</u>
Transfer Fee	\$3,000 if buyer is existing franchisee; \$6,000 if buyer is a new franchisee; <u>5,000</u>	Before completion of transfer.	See Note 6

NAME OF FEE	AMOUNT (See Note 1)	DUE DATE	REMARKS
Renewal Fee	\$2,000 <u>5,000</u>	Before renewal of Franchise Agreement.	
Remodeling Expenses	Will vary under circumstances	When incurred	See Note 7
Costs and Attorneys' Fees	Will vary under circumstances	When incurred	We may recover costs and reasonable attorneys' fees if you lose in a dispute with us.
Audit	Cost of audit plus 1½% interest per month from due date.	30 days after billing	Payable only if audit shows an understatement of at least 2% of Net Revenues for any month.
Insurance	Cost of insurance	Payable before opening	If you fail to obtain and maintain required insurance, we may immediately obtain insurance and you must promptly reimburse us for insurance, including late charges.
Software Support	Varies, currently \$200 per month	Payable monthly	See Item 11
<u>National Accounts Program Fees</u>	<u>Varies, may include administrative fees or product surcharge on certain sales, depending on structure of program.</u>	<u>Will vary depending on fee</u>	<u>See Note 8</u>

Notes:

- (1) Except where otherwise noted, all fees are payable to Batteries and are non-refundable.
- (2) "Net Revenues" generally means the aggregate amount of all sales of goods and services (including service charges in lieu of gratuity), whether for cash, on credit or otherwise, made or provided in connection with the Store, but excluding taxes paid or accrued by you.
- (3) If you do not spend at least 4% of the Store's Net Revenues during the calendar year for cooperative or local advertising which we have approved in advance, you will deposit with us the difference between what you should have spent for advertising during the calendar year and what you actually spent for advertising during the calendar year. We will deposit these monies in the NMF Fund (see Item 11 for discussion of NMF Fund).
- (4) This fee is credited to the initial franchise fee of the applicable Store if we grant an extension of time and you open that Store by the extension deadline.
- (5) This fee is credited to you if we grant an extension of time and you open the Store by the extension deadline. This fee (and the extension request) applies only if you have not signed a Multiple Unit Franchise Agreement.

- (6) You pay this fee when the Franchise Agreement or a substantial portion of the assets of the Store or any controlling interest in you is transferred. No transfer fee is due if the transfer is to an immediate family member.
- (7) You must ~~refurbish~~remodel your Store on notice from us. Any refurbishing must comply with our then-current standards for Batteries Plus® Stores. The scope of refurbishing may range from simply painting the Store to completely refurbishing the entire Store, including replacement of fixtures, signs, supplies and equipment. Batteries ~~We~~ cannot estimate the current cost for a refurbishing project because the refurbishing requirements will vary from Store to Store. You may make these payments in whole or in part to the ~~parties~~various third parties. If you relocate your Store, you will incur certain build-out or remodeling expenses at the new Store premises in addition to paying us the relocation fee.
- (8) We are establishing this Program but, as of March 31, 2004, we have not finalized the structure or fees that may apply. You likely will pay these fees to us only if you participate in the National Accounts Program and you sell products at your Store to a national account customer.

ITEM 7

INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

EXPENDITURES (See Note 1)	ESTIMATED AMOUNT OR ESTIMATED LOW-HIGH RANGE (See Note 2)	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Initial Franchise Fee See Note 3	<u>\$20,000 to</u> \$30,000 <u>See Note 3</u>	Lump Sum	When you sign the Franchise Agreement	Batteries
Real Estate See Note 4	See Note 4	See Note 4	See Note 4	See Note 4
Leasehold Improvements	\$18,000 to \$50,000 See Note 5	As Agreed Upon	Before Opening	Landlord, Various Suppliers
Equipment and Signs	\$35,000 to \$50,000 See Note 6	As Agreed Upon	Before Opening	Various Suppliers
Inventory and Supplies See Note 7	\$42,000 to \$55,000	As Agreed Upon	As Ordered	Various Suppliers
Prepaid Expenses and Deposits See Note 8	\$1,000 to \$10,000	As Incurred	Before Opening	Various Third Parties
POS System See Note 9	\$16,300 <u>18,485</u>	Lump Sum	Before Opening	Batteries and Various Suppliers

EXPENDITURES (See Note 1)	ESTIMATED AMOUNT OR ESTIMATED LOW-HIGH RANGE (See Note 2)	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
Miscellaneous Pre-opening Expenses See Note 10	\$2,000 to \$4,000	As Incurred	Before Opening	Various Third Parties
Opening Advertising and Promotion See Note 11	\$15,000 to \$20,000 to \$30,000	As Incurred	As Ordered	Third Party Advertising Service Vendors
Van or Panel Truck Delivery Vehicle See Note 12	\$0 to \$30,000	Varies	As Incurred	Third Party Automotive Dealer
Additional Funds - 3 months See Note 13	\$20,000 to \$50,000	As Incurred	As Incurred	Employees Suppliers
TOTAL See Note 14	\$179,300 <u>176,485</u> 5 to \$315,300 <u>\$327,485</u>			

Notes:

- (1) The typical size of a Batteries Plus® Store ranges from 1,200 to 1,800 square feet. For several items discussed below, your cost will increase as the number of square feet increases. The size of your Store is principally determined by requirements or restrictions that your landlord and appropriate municipality or zoning boards may impose, and availability and cost of leasable space. This Table reflects your estimated initial investment for a single Store operated under a Franchise Agreement. This information assumes that you will lease the premises for your Store.
- (2) Except where otherwise noted, all fees that you pay to us are non-refundable. Third party lessors, contractors and suppliers will decide if payments to them are refundable.
- (3) ~~The initial franchise fee~~ Initial Franchise Fee paid is paid to us and is more fully described in Item 5. We also offer a discounted Initial Franchise Fee for franchisees committing to open three Stores, as more fully described in Item 5.
- (4) Although most franchisees lease the premises for their Store, a small number of franchisees will purchase the land and construct the building for their Store. The cost of purchasing unimproved land will vary depending on location, availability of utilities and other factors and cannot be estimated by us. The construction costs for the building also will vary significantly depending on many of the same factors mentioned above as well as the size of the building and the availability of financing. Due to these many factors and a lack of historical information on which to base an estimate, we cannot estimate the cost of the building.
- (5) This estimate assumes that you will lease the premises for your Store. Typical locations for your Store are smaller free-standing, multiple use and strip mall locations. You will

need to make certain leasehold improvements to the leased premises for your Store to comply with our approved plans and specifications. The estimated cost of leasehold improvements includes lighting, flooring and partition walls. The exact cost will depend on several factors, including the condition of the premises, whether you elect to do more than the minimum required renovations, the landlord's agreement to reimburse you for certain improvements, the size and location of the premises for your Store and other economic factors. Although we do not recommend that you purchase the land and building for your Store, you will incur significantly greater costs in developing your Store if you choose to do so. All construction materials and fixtures must comply with our specifications. Although we estimate that you will need to lease premises of approximately 1,200 to 1,800 square feet for a Store, you may need a larger premises in some situations. In certain municipalities, zoning ordinances and regulations may prohibit you from installing SLI batteries outside your Store. In that event, you may decide to acquire an additional 250 to 450 square feet for an interior service bay within your Store to install SLI batteries. We cannot estimate the rental expense for your Store premises and any deposits or prepaid rent which may be required.

- (6) This amount includes estimated expenses for interior and exterior Store signs, test equipment, charging equipment, and a welder. The cost of purchasing equipment and signs may vary as a result of price differences between suppliers and shipping distances from suppliers. You may purchase or lease approved brands and models of equipment and signs from any approved supplier.
- (7) You will need to purchase opening inventory and other supplies and materials that comply with our specifications and are purchased from approved suppliers. Batteries or our affiliate may be an approved supplier (see Item 8). This amount does not reflect amounts needed to replenish inventory during the initial stage of operation.
- (8) Prepaid insurance, the lease deposit and utility deposits may vary considerably, depending on the size and location of your Store. Deposits are generally refundable, but prepaid insurance payments are not.
- (9) This amount reflects the amount you pay for the POS System which we have selected for use in your Store and includes the computer access and POS System development ~~fees~~. (See Item 11). The POS System (including the Proprietary Software) must be purchased from approved suppliers and licensed from us. (See Item 11.)
- (10) Miscellaneous expenses include local permit and license fees, legal and accounting fees and lodging, meals and travel expenses for one person attending the initial training program.
- (11) You must spend a minimum of ~~\$15,000~~20,000 for ~~store~~Store opening campaign expenses within the first ~~90~~120 days after you open your Store. ~~In many larger markets, we recommend that you spend additional amounts for your store opening campaign. certain metropolitan areas, we may require that you spend a greater minimum amount on the Store opening campaign. You must use our approved media vendor and implement our~~

approved media plan conducting the Store opening campaign if the Store is your first Batteries Plus® store. See Item 8 for further details.

- (12) You must be able to deliver product to customers in operating your commercial accounts business. The lower amount assumes that you will use a local service to deliver product or lease a new or used ~~van~~vehicle while the higher estimate assumes that you will purchase a ~~van or truck~~vehicle to make these deliveries.
- (13) This amount estimates the expenses you will incur during the first three months of Store ~~Operations~~operations, including initial wages and fringe benefits, insurance premiums, rent, taxes, Store supplies and interest payments on any business loans. It does not include inventory costs beyond the opening inventory costs identified in the Table and does not include your compensation during this three month period. These amounts are estimates, and we cannot guarantee that you will not incur additional expenses in starting the business. Your costs will depend on factors such as how much you follow our systems and procedures, your management skills and experience, local economic conditions, the local market for Batteries Plus® products and services, the prevailing wage rate, competition, the amount of the initial investment you decide to finance, and the sales level reached during the initial period.
- (14) This total is an estimate of your pre-opening initial investment and the expenses you will incur during the first three months of Store operations. This total is based on our estimate of nationwide average costs and prevailing market conditions and Batteries' ~~our~~ (including our predecessor's) ~~14~~15 years of experience in the business. You should review this amount carefully with a business advisor before deciding to purchase the franchise. We will require, before you open your first Store, that you invest a minimum of \$100,000 of personal cash or other liquid assets in initial Store operations. If you are opening your second or subsequent Store, you must invest a minimum of \$75,000 of personal cash or other liquid assets in initial Store operations. These figures are estimates only and we cannot guarantee that you will not have additional expenses in starting your Batteries Plus® business.

MULTIPLE UNIT FRANCHISE – Initial Investment

We cannot estimate your initial investment under a Multiple Unit Franchise Agreement, other than the multiple unit territory fee, which is described in Item 5. The amount of this fee will depend on the number of Stores you agree to establish under the Development Schedule. We do not offer separate financing for multiple unit franchisees.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To insure a uniform image and uniform quality of products and services throughout the Batteries Plus® system, you must maintain and comply with our quality standards.

Battery and Battery-Related Products

You must purchase for sale at your Store private label and branded batteries and battery-related products from Batteries Plus, our designees or from other suppliers we approve. Batteries Plus (including our affiliate, Ascent) or our designees may be the designated or sole source of supply for certain batteries and battery-related products, although currently we are not the sole source of supply for any battery or battery-related product. We (directly or through our affiliate, Ascent) have in the past, and we may in the future, receive rebates or other payments from suppliers, based directly or indirectly on sales of batteries and battery-related products, advertising materials and other items to franchisees and Batteries Plus-owned stores, and from other service providers, which payments have ranged or may range from less than 1% up to 9% or more of the manufacturer's costs of those items purchased by franchisees.

We have established a supply chain program, through Ascent, that is designed to make available to you and other Batteries Plus® franchisees quality private label and branded batteries and battery-related products at low prices. Ascent negotiates supply contracts for the manufacture of our private label and branded batteries and battery-related products. Ascent then arranges to import and distribute these products to Batteries Plus® franchisees through approved third-party suppliers. We have agreed to limit our compensation from Ascent's supply chain program. We will segregate amounts representing excess revenues and use those excess revenues to benefit the System. We currently make available to franchisees batteries and battery-related products through Ascent only and do not sell such products directly.

We are establishing a national accounts program (the "National Accounts Program") through which participating Batteries Plus® franchisees and Batteries Plus-owned stores will sell products to and service commercial accounts that operate two or more units in two or more states, have the potential to purchase a minimum level of Product, and meet certain other qualifications. We retain the right to designate the supplier for products sold to each national account customer unless the customer requires a specific supplier. See Item 12 for further details.

Location of your Store; Real Estate Lease

You must locate a site for your Store that we consent to, and you may not sign a lease for the site until we have given our consent in writing. We approve locations on a case by case basis, considering items such as size, appearance and other physical characteristics of the site, demographic characteristics, traffic patterns, competition from other businesses in the area and other commercial characteristics, such as rental obligations and other lease terms (including those that we require be in the lease). You are not required to purchase, lease or sublease the Store premises from us or our affiliate.

Fixtures, Equipment, Furniture & Signs

You must construct and develop your Store. We will furnish to you prototypical drawings and specifications for your Store, including requirements for interior and exterior materials, decor, fixtures, equipment, furniture and signs. You must meet our specifications and standards in developing your Store. You must submit construction plans and specifications to us for our approval before you begin construction of your Store, and you must submit all revised plans and specifications to us during the course of construction. You must ensure that the plans and specifications comply with the Americans With Disabilities Act and all other applicable federal, state and local laws, ordinances, building code and permit requirements and lease requirements and restrictions. In developing and operating your Store, you may purchase only the types of construction and decorating materials, fixtures, equipment, furniture and signs that we require and have approved as meeting our specifications and standards for quality, design, appearance, function and performance. You may purchase these items from any supplier who can satisfy our standards and specifications. We or our affiliate may be an approved supplier of one or more of these items.

Computer Hardware And Software

You must purchase the POS System (including the Proprietary Software and computer hardware) from us. See Item 11 for information regarding the POS System.

Insurance

You must purchase and maintain for each Store you operate, at your expense, comprehensive general liability insurance with minimum limits of ~~\$1,000,000~~, 2,000,000, automobile liability insurance with ~~a single limit coverage of at least \$1,000,000~~, 1,000,000 per occurrence, workers' compensation, employer liability and other insurance to meet statutory requirements, and fire, vandalism, theft, burglary, and extended coverage insurance with primary and excess limits of at least 100% replacement value of the Store premises, fixtures, equipment and inventory. All insurance policies must insure Batteries, you and any other person that we designate from all liability, damages or injury, and must meet all other requirements that we designate.

Advertising and Promotional Approval

If you are opening your first Store, you must use our approved media vendor (if designated) and implement our approved media plan in conducting the Store opening campaign. If we provide local store media planning systems, you must use our recommended media plan in promoting the Store. You also must use only Batteries-approved advertising and promotional materials in promoting the Store. See Item 11 for further information regarding Advertising Programs.

Supplier and Product Approval

We will provide you with lists of approved manufacturers, suppliers and distributors ("Approved Suppliers List") and approved inventory, products, fixtures, furniture, equipment, signs, supplies and other items or services necessary to operate your Store ("Approved Supplies List"). The Approved Suppliers List may specify the specific manufacturer of a specific product

or piece of equipment (for example, ~~Eveready~~Ray-O-Vac® batteries) and you may purchase ~~Eveready~~Ray-O-Vac® batteries from any source that carries ~~Eveready~~Ray-O-Vac® batteries. We, an affiliate or a third-party vendor or supplier periodically may be the only approved supplier for certain products. The lists specify the suppliers and the products and services which we have approved for use in the System. We may revise these lists and provide you with a copy of approved lists as we deem advisable. If you want to use any unapproved material, fixture, equipment, furniture or sign, or purchase any items from any supplier that we have not approved, you must first notify us in writing and must submit to us, at our request, sufficient specifications, photographs, drawings or other information or samples for us to determine whether the services, material, fixture, equipment, furniture or sign complies with our specifications and standards, or the supplier meets our approved supplier criteria. We will notify you of our decision within a reasonable time following our receipt of all information requested. You must pay the reasonable cost of the inspection and evaluation and the actual cost of the test. We may reinspect the facilities and products of any supplier or approved item and revoke our approval of any item or supplier which fails to continue to meet any of our criteria. We will send written notice of any revocation of an approved supplier or supply. As part of the approval process, we may require that a proposed supplier sign a supplier agreement covering such items as insurance, product quality, trademark use, and indemnification. We do not provide material benefits to you based on your use of designated or approved sources.

We apply certain general criteria in approving a proposed supplier, including the supplier's quality and pricing of products, ability to provide products/services that meet our specifications, responsiveness, ability to provide products/services within the parameters required by the System, quickness to market with new items, financial stability, credit program for franchisees, freight costs, and the ability to provide support to the System (merchandising, field assistance, education and training respecting sales and use of products and services).

Our total ~~revenues~~gross revenue for the fiscal year ended December 31, ~~2003~~2004, as reflected on the consolidated audited financial statement attached to this Offering Circular, were ~~\$26,586,468~~47,454,001. We (including our subsidiary, Ascent) received approximately ~~\$4,383,126~~37,236,784 in gross revenue in fiscal year ~~2003~~2004 as a result of franchisee purchases of goods, products and services from Ascent or as otherwise described in this Item 8. This amount represents ~~16.578%~~ of our total revenues during fiscal year ~~2003-2004~~.

Miscellaneous

We negotiate prices for numerous products for the benefit of the System, but not for any individual franchisee. Except for the Ascent supply chain program and the National Accounts Program described above, we are not aware of any purchasing or distribution cooperative in the System. We attempt to receive volume discounts for the System.

You must accept those bank cards and credit cards we specifically approve in the Operations Manual.

We may license third party suppliers to produce advertising and promotion items which bear the Licensed Marks. You may purchase these items for resale or for promotional purposes from approved third party suppliers.

We estimate that the purchase or lease of equipment (including the POS System hardware and software), signs, fixtures, furnishings, supplies, battery and battery-related products, and advertising and sales promotions materials which meet our specifications will represent approximately 50% to 70% of the cost to develop the Store and 65% to 85% of the cost to operate your Store.

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 OTHER ITEMS OF THIS OFFERING CIRCULAR.

	OBLIGATION	SECTION IN AGREEMENT	ITEM IN OFFERING CIRCULAR
a.	Site selection and acquisition/lease	Sections 2 and 4(A) of Franchise Agreement and Section 5 of Multiple Unit Franchise Agreement	Item 11
b.	Pre-opening purchases/leases	Section 4 of Franchise Agreement	Items 7, 8 and 11
c.	Site development and other pre-opening requirements	Section 4 of Franchise Agreement and Section 5 of Multiple Unit Franchise Agreement	Item 5, 7, and 11
d.	Initial and ongoing training	Sections 5(B) and 16(B) of Franchise Agreement	Items 7 and 11
e.	Opening	Sections 4(E)-4(G) and 16(B) of Franchise Agreement	Items 5 and 11
f.	Fees	Sections 3(B), 4(D), 4(F), 4(H), 9, 11 and 15(D) of Franchise Agreement and Sections 3(D) and 6 of Multiple Unit Franchise Agreement	Items 5, 6 and 7
g.	Compliance with standards and policies/ Operations Manual	Sections 5(D) and (E) and 10 of Franchise Agreement	Items 11 and 16
h.	Trademarks and proprietary information	Sections 1(A), 6 and 7 of Franchise Agreement and Sections 1(A), 8 and 9 of Multiple Unit Franchise Agreement	Items 13 and 14
i.	Restriction on products/services offered	Section 2 and 10(C) of Franchise Agreement	Items 8 and 16
j.	Warranty and customer service requirements	Sections 10(G), (H) and (K) of Franchise Agreement	Item 11
k.	Territorial development and sales quotas	Sections 2(B) and (C) and 16(A) of Franchise Agreement and Sections 3, 4 and 5 of Multiple Unit Franchise Agreement	Item 12
l.	Ongoing product/service purchases	Sections 4 and 10 of Franchise Agreement	Items 8 and 11
m.	Maintenance, appearance and remodeling requirements	Sections 3(B), 4(D) and 10 of Franchise Agreement	Item 11

OBLIGATION		SECTION IN AGREEMENT	ITEM IN OFFERING CIRCULAR
n.	Insurance	Section 10(J) of Franchise Agreement	Items 6, 7 and 8
o.	Advertising	Sections 4(G) and 11 of Franchise Agreement	Items 6, 7 and 11
p.	Indemnification	Section 8(B) of Franchise Agreement and Section 19 of Multiple Unit Franchise Agreement	None
q.	Owner's participation/management/staffing	Sections 10(G) and (I) of Franchise Agreement and Section 10 of Multiple Unit Franchise Agreement	Items 11 and 15
r.	Records/reports	Section 12 of Franchise Agreement and Section 11 of Multiple Unit Franchise Agreement	Item 6
s.	Inspections/audits	Section 13 of Franchise Agreement	Item 6
t.	Transfer	Section 15 of Franchise Agreement and Section 16 of Multiple Unit Franchise Agreement	Items 6 and 17
u.	Renewal	Section 13 of Franchise Agreement	Items 6 and 17
v.	Post-termination obligations	Sections 14 and 18 of Franchise Agreement and Sections 14 and 15(B) of Multiple Unit Franchise Agreement	Item 17
w.	Non-competition covenants	Sections 14 and 18(A) of Franchise Agreement and Section 15(B) of Multiple Unit Franchise Agreement	Item 17
x.	Dispute resolution	Sections 19 and 20(D) and (E) of Franchise Agreement and Sections 17 and 18(D) and (E) of Multiple Unit Franchise Agreement	Item 17
y.	Personal Guaranty	Section 15(B) and Exhibit D of Franchise Agreement and Section 16(E) and Exhibit C of Multiple Unit Franchise Agreement	Item 15

ITEM 10

FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation. Batteries Plus® franchisees may be eligible for expedited Small Business Administration (the "SBA") loan processing through the SBA's Franchise Registry Program, www.franchiseregistry.com.

ITEM 11

FRANCHISOR'S OBLIGATIONS

Except as listed below, we need not provide any assistance to you under the Franchise Agreement or Multiple Unit Franchise Agreement.

Pre-Opening Assistance. Before you open your Store, we will:

- (1) Grant you rights to establish a specific number of Stores at locations we evaluate within the Designated Area if you sign a Multiple Unit Franchise Agreement (Multiple Unit Franchise Agreement – Section 3).
- (2) Provide assistance in your evaluation and selection of a site for the Store (Franchise Agreement – Section 5(A)).
- (3) Provide you with prototype drawings and specifications for your Store, including those for dimensions, interior design and layout, building materials, fixtures, equipment, furniture, signs and décor (Franchise Agreement – Section 5(A)).
- (4) Provide the initial training program described below (Franchise Agreement – Section 5(B)).
- (5) Provide to you a copy of or access to the confidential Operations Manual. You must keep the Operations Manual confidential and discontinue using it when the Franchise Agreement terminates (Franchise Agreement – Section 5(E)).
- (6) Provide you access to our Batteries Plus® intranet web site through which you can access the Operations Manual and other Confidential Information relating to Store operations (Franchise Agreement – Section 4(D)).
- (7) Make available to you the POS System that ~~Batteries has~~we have developed or selected for the System (described further below) (Franchise Agreement – Section 4(D)).

Ongoing Assistance. During the operation of your Store, ~~Batteries~~we will:

- (1) Make available a field consultant to assist you in the opening and initial operations of your Store for a minimum of 7 days (Franchise Agreement – Section 5(C)).
- (2) Provide advisory services relating to Store operations, including products and services offered for sale, selecting, purchasing and marketing batteries and battery related products and other items, marketing assistance and sales promotion programs, and operating, administrative and general operating procedures (Franchise Agreement – Section 5(D)).
- (3) Periodically provide you with updated and revised materials for the Operations Manual (Franchise Agreement – Section 5(E)).
- (4) Operate the NMF Fund (Franchise Agreement – Section 11(A)).
- (5) Assist you in developing your Store opening campaign – Section 4(G).

Advertising Programs. ~~Batteries establishes~~We establish and ~~conducts~~conduct various advertising programs as follows:

We operate a National Marketing and Promotional Fund (the "NMF Fund") to advertise and promote Batteries Plus® Stores in the System. You will pay us a monthly national marketing fee of 1% of your Store's Net Revenues (the "NMF Fee"). We will deposit the NMF Fee in the NMF Fund that we manage through a separate account. We may use the NMF Fund to conduct national, regional and local advertising, marketing, promotional and public relations campaigns, including the cost of preparing and conducting print, point of purchase, radio, television, internet, electronic and billboard advertising, supporting National Accounts Program activities and employing advertising agencies. We also will use the NMF Fund to develop advertising and promotional materials for regional and local advertising cooperatives and for use in each franchisee's local market. We have an in-house advertising staff that assists in developing and placing yellow page and local advertising and other matters. We also contract with various outside advertising agencies and third party vendors to produce certain advertising production and promotional materials and to create and implement public relations campaigns. We will determine the use of monies in the NMF Fund. We are reimbursed for reasonable administrative costs and overhead incurred in administering the NMF Fund.

We are not required to spend any particular amount on marketing, advertising or production in the area in which your Store is located. NMF Fees not spent in any fiscal year will be carried over for future use. We may make loans to the NMF Fund bearing reasonable interest to cover any deficit of the NMF Fund and cause the NMF Fund to invest in a surplus for future use by the NMF Fund. NMF Fees will not be used for advertising principally directed at the sale of franchises. At your request, we will provide you with an annual unaudited statement of the receipts and disbursements of the NMF Fund.

Each new Batteries Plus® franchisee must pay the NMF Fee. Other franchisees pay the same amount for the NMF Fee. In addition, each Batteries-owned Store will contribute to the NMF Fund on the same basis as franchisees.

When developing marketing strategy and allocating the use of NMF Fees, we consult with our NMF Council (the "Council"). There are 6 franchisees on the Council. Council members are elected by the franchisees and serve for a 3 year term. The Council serves in an advisory capacity to provide advice on advertising, research and promotional activities to us and our outside advertising agencies. We have the power to form, change or dissolve the Council.

During our ~~2003~~2004 fiscal year, ~~22~~21% of the NMF Fund was spent for advertising and merchandising production, communication and related expenses, ~~40~~4% was spent for public relations campaigns and related expenses, ~~72~~7% was spent for intranet-based advertising and promotional activities, ~~57~~52% was spent on our exterior signage program, ~~28~~2% was spent on in-house marketing services and administrative expenses (including salaries of our in-house advertising staff that conducts public relations, catalog and collateral production, advertising layout, and other related services), and ~~43~~4% was spent on miscellaneous advertising-related expenses.

You may develop advertising materials for your own use, at your own cost, if your materials are factually correct, accurately depict the Licensed Marks, and communicate the brand position and character that we have established for Batteries Plus® Stores. If you develop advertisement materials, you must provide a copy of the materials to us for our review and approval (in writing) before you use the advertising materials. You may use proposed advertising materials that otherwise comply with the Franchise Agreement if we do not respond within 15 days after we receive your proposed materials. If we later determine that your marketing materials do not satisfy our then-current advertising and promotional standards, you must immediately cease using those materials upon written notice from us.

You must spend at least 4% of Store Net Revenues on local advertising and public relations activities which satisfy our minimum requirements. Amounts spent on unapproved advertising activities will not qualify in determining whether you have satisfied this minimum expense requirement. During the first year 120 days of Store operations, ~~however,~~ you must spend a minimum of ~~\$25,000~~ 20,000 for local Store advertising, with at least \$15,000 spent during the first 90 days of Store operations. In certain metropolitan areas, we may require that you spend a greater minimum amount on the Store opening campaign. You must use our approved media vendor (if designated) and implement our approved media plan in conducting the Store opening campaign if the Store is your first Batteries Plus® Store. You must provide us with a monthly report during the first year of Store operations which identifies expenditures ~~expenses~~ for local advertising. If you do not spend the minimum amount required (currently 4% of Store Net Revenues) for local store advertising and public relations activities, you must pay us the amount of the difference for deposit in the NMF Fund.

You also must participate in and contribute to the local or regional advertising cooperative (the "Cooperative") established in the area where your Store is located. We or a majority of franchisees (with our approval) may form a local or regional advertising Cooperative in your area. If a Cooperative is established, you must contribute an amount determined by the Cooperative, up to 4% of your Store Net Revenues each calendar year. The Cooperative will use contributions to fund local and regional advertising and promotional campaigns and activities that we recommend or approve for use by the Cooperative. Our in-house advertising staff may establish advertising campaigns and activities that the Cooperative must use. Contributions to the Cooperative are credited to your local advertising obligation described above. Each Cooperative must adopt written governing documents. A copy of the governing documents of the Cooperative (if one has been established) for your market area is available upon request. Each Cooperative will determine its own voting procedures so long as ~~though~~ those procedures are consistent with the general operating rules we have established. Members of the Cooperative and their elected officials are responsible for administering the local Cooperative. We recommend, but do not require, that each Cooperative prepare annual financial statements and make those financial statements available to all franchisees in the Cooperative. We have the power to establish advertising cooperatives and the rules under which regional and local advertising cooperatives will operate.

Point-of-Sale System. You must use in your Store a computerized multi-purpose point-of-sales system ("POS System") that we have selected for use in Stores. We periodically may

update or change the POS System in response to business, operations, marketing conditions, or changes in technology.

As of March 1, ~~2004-2005~~, the POS System package includes the CounterPoint® point-of-sale and inventory management software, Version 7.X.X (the "CounterPoint Software") - proprietary software that we have licensed from Synchronics, Inc. ("Synchronics"). The CounterPoint Software is specifically designed to track various aspects of your Store, including inventory, customer tracking, vendor purchase orders, daily sales reports and accounts receivable. You also will receive access to the Pro- Source™ software (the "Pro- Source Software")—our Proprietary Software that assists franchisees in cross referencing batteries. You will operate the CounterPoint® Software and the Pro- Source Software (collectively, the "Proprietary Software") with the following software packages: (i) Windows 2000 (or higher) which is an operating system for your computer; (ii) Internet Explorer 6.X (or higher); (iii) UNIX Print Services software which controls secure printing; (iv) Terminal Emulation software which enables the Wide Area Network ("WAN") connection; (v) Norton Client Security (anti-virus, firewall and intrusion detection) software; ~~(vi) Norton pcAnywhere software for remote access computer support; and (vii) and (vi)~~ ACT! 6.x contact manager software. The POS System package for each Store (currently) includes the following required, standardized point-of-sale equipment and WAN connectivity: (i) 2 front counter computers and 1 back-office computer; (ii) 2 receipt printers, an invoice printer, a laser report printer, and a label printer; (iii) 2 keyboards with integrated credit card swipe readers; (iv) 2 bar code scanners; ~~and (v) physical inventory scanning host and base station; and (vi)~~ a network hub/router to network the computers together. Additional information on the required models is available to franchisees on our Internet Site under "~~Computer Support~~ POS System Services."

The Proprietary Software is configured over a Wide Area Network (WAN) hosted by a third party. To access the Proprietary Software, each Store must have a primary WAN business-class connection. We also recommend a back-up WAN connection. We recommend that you use a ~~frame-relay, DSL to frame-relay, DSL~~ or cable connection as your primary WAN connection, with a separate dial-up Internet service for a WAN back-up.

Because the POS System is configured as an integrated system to operate over the Wide Area Network/WAN, you must purchase the hardware from us or a supplier that we designate. This ensures that your Store POS System operates with the Proprietary Software over the WAN and uses a customized configuration to allow you to obtain economical support for your POS System (as described below). Currently, we are the only designated supplier of the POS System package. See Items 5, 7 and 8.

The CounterPoint Software is the proprietary property of Synchronics. Synchronics is located at 1727 Kirby Parkway, Memphis, Tennessee 38120 (telephone: 1 (800) 852-5822). We received a license from Synchronics to use and license the CounterPoint Software to Batteries Plus® franchisees. We began using the Proprietary Software in September 2001. We will provide to you limited ongoing maintenance and repairs respecting the CounterPoint Software, as well as upgrades or updates respecting the CounterPoint Software. (CounterPoint Software Agreement, Section 4.) There are no contractual limitations on the frequency and cost of this requirement, other than the requirement that the fee be reasonable in light of costs we incur to provide these services. (Franchise Agreement, Section 4(D) and CounterPoint Software

Agreement, Section 3.) Through its CounterPoint Subscription Service (CSS), Synchronics will provide new feature enhancements and updates as they become available. (CounterPoint Software Agreement, Section 4(B).) Fees related to CSS and our support services currently are incorporated into the monthly Store fee (currently \$200) covering ~~computer support, POS System, services maintenance and POS System hosting~~. You must incorporate these upgrades and updates to the POS System. There are no contractual limitations on the frequency and cost of this obligation.

The Pro- Source Software is our proprietary software and must be obtained from us. We will provide to you basic ongoing maintenance and repairs respecting the Pro- Source Software. (Pro- Source Software Agreement, Section 3.) We do not charge you a separate fee (aside from the initial computer access fee and the \$200 monthly Store fee described above) for the maintenance and repair services provided respecting the Pro- Source Software. We are not contractually required to provide to you modifications or enhancements respecting the Pro- Source Software, although we currently intend to provide new feature enhancements and updates at no additional cost as they become available. You must incorporate these upgrades and updates to the POS System as they become available. (Franchise Agreement, Section 4(D).) There are no contractual limitations in the frequency or cost of this obligation should we discontinue offering upgrades and updates free of charge.

We have independent access to certain operational and financial information and data produced by your POS System. (Franchise Agreement, Section 4(D).) There are no contractual limitations on our right to access the information and data.

Site Selection. If you already have a potential site for a Store, you may propose the location to us. We may consent to the site after we have independently evaluated it. The site for the Store will be identified in Exhibit A to the Franchise Agreement. If you do not have a proposed site, you will sign Alternative Exhibit A to the Franchise Agreement and will have 180 days following the date of the Franchise Agreement to identify a Store site acceptable to us. We will provide you with our general site selection and evaluation criteria. You are solely responsible, however, for locating and obtaining a site which meets our standards and criteria and that is acceptable to us. If you sign Alternative Exhibit A to the Franchise Agreement and Batteries and you cannot agree on a site for a Store, you can request a 6 month extension for a \$2,500 fee. This fee paid to us will be credited back to you if we grant your request and you open your Store by the amended deadline. Any extension fees paid are otherwise non-refundable. If you do not request an extension ~~or Batteries~~, we do not grant your request for an extension or we and you cannot agree on a site during any extension period, we can terminate your Franchise Agreement.

You must submit to us a complete site report (containing information that we may reasonably require) for the proposed Store site. The general site and evaluation criteria which you should consider include demographic characteristics of the proposed location, traffic patterns, parking, the predominant character of the neighborhood, the proximity to other businesses (including other Batteries Plus® Stores), and other commercial characteristics, and the proposed location, size of premises, appearance and other physical characteristics. We will notify you in writing within 30 days after we receive your complete site report and other materials we request whether the proposed site satisfies our site selection criteria. Our review of

a site for the Store does not represent any recommendation or guaranty as to the success of the proposed site.

If you enter into a Multiple Unit Franchise Agreement, Batteries and you will have agreed to an Exclusive Area and a Development Schedule which identify the number of Stores you will develop, and the time frame and the area in which the Stores will be developed. We will evaluate a proposed site for a Store and deliver a Franchise Agreement for an additional Store if, at the time of your request: (1) you deliver to us a complete site report for the proposed Store site and receive our consent to the proposed Store site; (2) you meet the minimum financial standards described in the Multiple Unit Franchise Agreement; (3) you fully comply with all obligations and are in good standing under each existing Batteries Plus® Franchise Agreement between you and us for individual Stores; and (4) you are not in default under the Multiple Unit Franchise Agreement.

Development Time. The typical length of time between our acceptance of the Franchise Agreement and the opening of your Store varies from 6 to 9 months. This period may be longer or shorter, depending on the time of year, availability of financing, local construction delays, how soon you can attend training or other factors. You must complete development and open your Store within 9 months following the date of the Franchise Agreement.

Training. Our training program is conducted at our corporate training center in Pewaukee, Wisconsin. We currently offer the training program 10 times each year, with one training class generally offered each month. The initial training program includes classes conducted at other designated locations and on-the-job training provided at one of our Stores and will last three (3) weeks. We may, in our discretion, require you or the proposed manager to continue training for up to 10 additional days. The training program includes instruction relating to Store operations, understanding the equipment and product use, costs and cash control, customer service, comprehensive marketing and sales programs, accountability for sales and marketing, employee scheduling, methods of controlling operating costs and the POS System.

You may not open your Store unless you (if a franchisee is an entity, a Principal Owner) and each proposed Store manager successfully complete the training program. If we determine that a proposed Store manager is not qualified to manage the Store, we will allow you to select a substitute Store manager to complete the initial training program.

The initial training program consists of the following:

SUBJECT(1)	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	INSTRUCTOR(2)
Orientation	3	0	Trainer and Training Staff Manager
Product Training	3229	0	Trainer Training Manager
Store Operations and Computer Training	3432	0	Training Manager and IT Associate
Technical Center	30	0	Trainer Training Manager
Commercial Sales	12	0	Commercial Sales Development Manager

SUBJECT(1)	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	INSTRUCTOR(2)
Marketing and Advertising	42	0	<u>Director of Advertising and Marketing Support Coordinator and Staff</u>
Expense Control	42	0	<u>Vice President of Franchise Administration and Development Support Executive</u>
Human Resources	2	0	<u>Director of Human Resources</u>
In-Store Opening Procedures, Administrative, Daily Operations and Closing Procedures	0	3424	<u>Corporate Store Managers and Trainers</u>
TOTALS	112	3424	

- (1) The instructional materials includes the Batteries Plus® Operations Manual, handouts and visual aids, and will include lecture, classroom discussion, hands-on demonstration and/or practice training at a Batteries Plus® Store.
- (2) Donn Felda oversees all aspects of training. Mr. Felda has been our Training Manager since ~~March~~ May 2004. He was a Regional Manager for Company Stores from December 2002 to March 2004. Before joining Batteries, Mr. Felda served in various roles for OfficeMax, Inc. from 1998 to December 2002, including that of CopyMax District Manager during 2002.

We do not charge a fee for the initial training program. You are, however, responsible for travel and living expenses that you and your proposed managers incur while attending the initial training program. See Item 7 for additional information on travel and living expenses. After you open your Store, each new Store manager must attend and successfully complete our initial training program. We may charge you a fee for this additional training. In addition, we may require that you (or the Principal Owner of a franchisee that is an entity) and any Store manager or any assistant Store manager attend supplemental and refresher training programs during the term of the Franchise Agreement. We may determine the time and place of this additional training and may charge you a reasonable fee for the training.

Operations Manual. We will loan to you, during the term of the Franchise Agreement, either manual one copy of or electronic access to an Operations Manual, which is a collection of several administrative, operational and product handbooks or manuals, and other written materials (collectively, the "Operations Manual").

The current table of contents of the administrative and operational parts of the Operations Manual, as of March 1, ~~2004~~, 2005, is as follows:

Store Operations Manual	
Subject	Number of Pages
General Store Operations	13
Human Resources	92
Record Keeping	12
Product Management	8
Merchandising	21
Customer Relations	20
Commercial Sales	33
Financials	24
Computer	128
TOTAL	351

Purchasing Manual	
Subject	Number of Pages
Purchasing Elements	8
Summary of Vendors	7
Warranties	1
Vendor Profiles	81
Support	24
Recycling	7
TOTAL	128

Advertising & Promotional Manual	
Subject	Number of Pages
Advertising	13
Exhibits	29
Glossary/Coupons	17
Newspaper/Magazine Samples	27
TV/Radio Commercials	25
Direct Mail Samples	12
Yellow Page Information	11
Promotional/Public Relations	35
TOTAL	169

Technical Center Manual	
Subject	Number of Pages
Basic Electricity	3
Secondary Cells	6
Components	3
C Rate	4
Secondary Battery Testing	10
Work Order Forms	3
SKU's & Pricing	13
Battery Disassembly	3
Battery Assembly	14
Cookbook	4
TOTAL	63

Technical Center Manual - Drawings	
Subject	Number of Pages
Cash Register	6
Computer	1

Cordless Phone	29
Dog Collar	4
Hand Held Tools	30
Keyless Entry	22
Lawn & Garden	2
Lighting	3
Medical	5
Miscellaneous	14
Photographic	18
Razor	19
RC Toy	4
Thermostat	1
TOTAL	158

In addition, the Operations Manual also will include various portions of our Batteries Plus® Intranet site (under the heading “New Store Bucket”) and several product catalogs which describe various batteries and battery related products offered at your Store.

Our Obligations Under the Multiple Unit Franchise Agreement. If you enter into a Multiple Unit Franchise Agreement, you will sign one Franchise Agreement at the time you sign the Multiple Unit Franchise Agreement. Except as described above, our obligations under the Franchise Agreement apply to a multiple unit franchisee. Each time a multiple unit franchisee signs another Franchise Agreement, our obligations are activated for the new Store to be established. Except as described above, we do not have separate obligations under the Multiple Unit Franchise Agreement.

ITEM 12

TERRITORY

Franchise Agreement. You will receive a “Protected Area” representing a 3 mile radius surrounding the location of your Store when you sign the Franchise Agreement. The location of the Store and the Protected Area will be identified in Exhibit A to the Franchise Agreement. If you do not have a site for your Store when you sign the Franchise Agreement, you will sign Alternative Exhibit A to the Franchise Agreement and will have 180 days after the date of the Franchise Agreement to find a site for the Store (acceptable to us) within the designated geographic area. Once we approve a location within the geographic area established in Alternative Exhibit A, Batteries and you will then sign Exhibit A (which identifies the Protected Area for your Store). During the term of the Franchise Agreement, if you are complying with the provisions of the Franchise Agreement, we will not establish any other franchised or company-owned full-service Batteries Plus® store in the Protected Area. We (for ourselves and our affiliates) reserve the right to sell in your Protected Area under the Licensed Marks through dissimilar channels of distribution (i.e., other than the operation of full-service Stores), including by electronic means such as the Internet and websites we establish. We also reserve the right to sell any products or services in your Protected Area under trademarks other than the Licensed Marks through similar or dissimilar channels of distribution, including by electronic means such as the Internet and by websites we establish. We may advertise the System on the Internet and may create, operate, change or discontinue the use of a website using the Licensed Marks. We

may grant franchises anywhere outside your Protected Area (or Designated Area under the Multiple Unit Franchise Agreement). We may sell anywhere at both wholesale and retail all products and services which are not a part of the System. We also may operate and franchise others to operate retail stores using different trademarks even if these stores compete with the Stores.

~~We~~As described in Item 8 above, we are establishing a "National Accounts" program, Program designed to address the needs of certain multi-state, multiple location customers who desire to use a central billing account, multiple shipping destinations and similar requests that are typical of large volume customers ~~or customers that conduct operations at more than one site.~~ ~~We.~~ We intend to implement this program during 2005. You may, if you qualify, participate in the National Accounts Program. If you participate, you will need to sign a national accounts agreement that we provide and comply with its terms. You must agree to service national account customers within a certain service and revenue area. We have established or will establish the rules under which you may participate in this program, including the options you have in participating in the program as well as servicing of accounts and revenue sharing, servicing of accounts, recognition of revenues received from national account customers located in any non-participant service area and other matters.

You may relocate your Store only with our written consent. We may agree to relocation of the Store if we believe there is a change in the character of the current location of your Store that warrants relocation. If we permit you to relocate your Store, you will pay us a ~~\$3,000~~\$3,500 relocation fee for services we will provide in assisting you in relocating your Store. In addition, you will need to build out the Store consistent with our then-current standards for new Stores.

You cannot conduct any advertising which is primarily intended to solicit customers outside the "market area" of your Store unless you restrict the advertising to your existing customers or obtain our prior written consent. ~~We will determine the~~The "market area" for your Store ~~based on guidelines we establish and periodically may amend in our Operations Manualswill be described in your Franchise Agreement.~~ Generally, your Store market area will be all or a portion of the "Designated Market Area" (as defined by the A.C. Nielsen Company). Except as otherwise disclosed in this Item, you may service customers located outside your Protected Area. We and other Batteries Plus® franchisees may advertise inside in your Protected Area. ~~We~~In addition, we and other Batteries Plus® franchisees may serve customers who reside in your Protected Area without compensation to you, except to the extent you participate in the National Accounts Program and we service a national accounts customer (see above).

Unless you entered into a Multiple Unit Franchise Agreement, we generally will not grant to you any options, rights of first refusal or similar rights to acquire additional franchises within a particular territory.

If you cannot open your Store by the deadline stated in the Franchise Agreement, you may request a 6 month extension to the time in which you must open the Store. You must pay us a \$2,500 extension fee when you make the request. If we decide, in our discretion, to grant your request, you will have an additional 6 months in which to open your Store.

Except as disclosed below, neither Batteries~~we~~ nor any affiliate operates, franchises, or has any current plans to operate or franchise any business selling the products and services authorized for sale at a Batteries Plus® Store under any other trademark or service mark. Ascent, our affiliate, has established a supply chain program that acquires batteries and battery-related products for resale (through third parties) to Batteries Plus® franchisees. See Item 8 for further discussion.

After the first 12 months of operation, you must generate, in each “Anniversary Year,” annual Net Revenue of at least 75% of the average historical Net Revenue of all Batteries Plus® Stores in operation for at least 12 months, based on each Store’s historical Net Revenues for the same Anniversary Year. The term “Anniversary Year” means the 12 month period beginning on the first day of the month following the effective date of your store opening and ending on the first anniversary of that date, and between each succeeding anniversary. If you do not maintain this minimum Net Revenue level in operating your Store for 2 consecutive years, we may terminate your Protected Area, effective 30 days after we deliver written notice to you. If we terminate your Protected Area rights, you may continue to operate the Store but we may establish and operate or franchise others to operate Batteries Plus® Stores in your former Protected Area without restriction.

Multiple Unit Franchise Agreement. If you enter into a Multiple Unit Franchise Agreement, you will receive certain protected rights to develop more than one Store within a designated geographic area (the “Designated Area”) to be described in Exhibit A attached to the Multiple Unit Franchise Agreement. The size of the Designated Area will vary, depending on the number Stores you intend to open, the population density, and the demographics in the area in which you desire to operate. The Designated Area may be one or more counties in rural areas, and may be a portion of a metropolitan statistical area in heavily-populated major cities. We will not establish another franchised or company-owned full-service Batteries Plus® store in the Designated Area so long as you meet the minimum Development Schedule, satisfy our minimum capital requirements to develop the Store, comply with all other provisions described in the Multiple Unit Franchise Agreement and you otherwise comply with the provisions of each related Franchise Agreement. As described above, however, we have certain rights under Multiple Unit Franchise Agreement and each Franchise Agreement to sell products and services using the Licensed Marks or other marks using similar or dissimilar channels of distribution in the Designated Area. If you do not comply with the Development Schedule and the Multiple Unit Franchise Agreement, we may terminate the Multiple Unit Franchise Agreement or terminate your protected rights to develop Stores in the Designated Area and grant individual or multiple unit franchises within the Designated Area to third parties. As described in Item 6 above, you may request a 6 month extension to the date by which you must open a Store under the Development Schedule.

ITEM 13

TRADEMARKS

We grant you the right to operate your Store under the name “Batteries Plus,” a federally registered service mark. You also may use our other Licensed Marks to operate your Store. You

do not receive any right under Multiple Unit Franchise Agreement to use the Licensed Marks. Those rights are granted under the Franchise Agreement.

The following schedule list only the principal Licensed Marks that you are licensed to use. We have filed all required affidavits and renewal registrations for those Licensed Marks listed below.

PRINCIPAL TRADEMARKS	U.S. REGISTRATION OR SERIAL NO.	REGISTRATION OR APPLICATION DATE	PRINCIPAL/ SUPPLEMENTAL REGISTER	COMMENT
BATTERIES PLUS and Design	1,697,440	06/30/92	Principal	Assignment from Packerland Automotive Group, Inc.
AMERICA'S BATTERY STORES*	1,673,125	01/21/92	Supplemental	
AMERICA'S BATTERY EXPERTS*	2,606,180	08/06/02	Supplemental	
1,000'S OF BATTERIES FOR 1,000'S OF ITEMS	1,954,621	02/06/96	Principal	
Design ("Battery Guy")	2,725,695	06/10/03	Principal	
XTREME	2,750,654	08/12/03	Principal	
WERKER*	Ser. No. 78/322,268	Filed 11/03/03	Principal	Application Pending
NUON*	Ser. No. 78/173,927, 855,876	Filed 10/14/06/22/0204	Principal	Application Pending

*** By not having a federal registration on the Principal Register for these marks, we do not have certain presumptive legal rights granted by a registration.**

We have the right to periodically change the list of Licensed Marks. Your use of the Licensed Marks and any goodwill is to our exclusive benefit and you retain no rights in the Licensed Marks. You also retain no rights in the Licensed Marks when the Franchise Agreement expires or terminates. You are not permitted to make any changes or substitutions respecting the Licensed Marks unless we direct in writing. In addition to the Licensed Marks listed above, we registered the domain name "batteriesplus.com" on March 31, 1997. You may not use any Licensed Mark or portion of any Licensed Mark as part of any corporate or any trade name, or any modified form or in the sale of any unauthorized product or service, or in any unauthorized manner. You may not use any Licensed Mark or portion of any Licensed Mark on any website without our prior written approval.

There are currently no effective material determinations by the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the Licensed Marks that are relevant to your use in any state. There are currently no agreements in effect that significantly limit our rights to use or license the use of any Licensed Marks in any manner material to the franchise.

You must immediately notify us of any apparent infringement of or challenge to your use of any Licensed Marks, and we have sole discretion to take any action we deem appropriate. We

~~are aware of a corporation in Conroe, Texas, which may claim prior common law use of the mark "Batteries Plus" in Conroe, Texas. We believe that any prior use of the mark is limited to the Conroe, Texas area. We are unaware of any other~~unaware of any infringing uses or superior rights that could materially affect your use of the Licensed Marks.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of the Licensed Marks, or to participate in your defense or indemnify you. We reserve the right to control any litigation relating to the Licensed Marks and we will have the sole right to decide to pursue or settle any infringement actions relating to the Licensed Marks. You must notify us promptly of any infringement or unauthorized use of the Licensed Marks of which you become aware. If we determine that a trademark infringement action requires changes or substitutions to the Licensed Marks, you will make these changes or substitutions at your own expense.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents or copyrights currently registered that are material to the franchise. We do claim copyright ownership and protection for the Operations Manual and for certain other written materials we provide to assist you in operating your Store.

We own certain proprietary or confidential information relating to the operation of Stores, including information in the Operations Manual ("Confidential Information"). You must keep confidential during and after the term of the Franchise Agreement the Confidential Information. When your Franchise Agreement expires or terminates, you must return to us all Confidential Information and all other copyright material. You must notify us immediately if you learn of an unauthorized use of the Confidential Information. We are not obligated to take any action and we will have the sole right to decide the appropriate response to any unauthorized use of the Confidential Information. You must comply with all changes to the Operations Manual at your cost. We do acknowledge that Batteries~~we~~ and you will jointly own Store customer data, other than national accounts customer data, that is located on the POS System. We will periodically establish policies under which Batteries~~we~~ or you may use this Store customer data. We will share ownership of customer data for each national account customer with participants in the National Accounts Program that will service that specific customer. Former participants in the National Accounts Program (including former franchisees) will not have any ownership interest in such customer data.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Store must at all times be under your direct supervision (or, if you are a partnership, corporation or limited liability company, a Principal Owner or an operating manager who we have approved and who has satisfactorily completed the training program). If an operating manager supervises the Store, you (or the Principal Owner) must remain active in overseeing Store operations. If you enter into a Multiple Unit Franchise Agreement, you (or a Principal

Owner or operating manager who we approve) must devote your full-time efforts to your obligations under the Multiple Unit Franchise Agreement. You (or the Principal Owner or operating manager) must supervise the development and operations of Stores franchised under the Multiple Unit Franchise Agreement, but need not be engaged in the day-to-day operations of any Store.

The person who is responsible for the day-to-day supervision of the Multiple Unit Franchise Agreement or any Store (i.e., the Principal Owner or approved operating manager) assumes his/her responsibilities on a full-time basis and may not engage in any other business or other activity that requires any significant management responsibility, time commitments, or otherwise may conflict with his/her obligations. If you are a corporation, partnership or limited liability company, you may not engage in any business or activities other than the ownership and operation of Stores under Multiple Unit Franchise Agreements or Franchise Agreements that we grant. In addition, the Principal Owner and any designated operating manager must successfully complete our training program.

Each individual who owns a 10% or greater interest in the franchisee entity is considered a "Principal Owner" and must sign the Guaranty and Assumption of Obligations attached to the Franchise Agreement (and the Multiple Unit Franchise Agreement, if applicable). These people agree to discharge all obligations of the franchisee entity to us under the Franchise Agreement and are bound by all of its provisions, including maintaining the confidentiality of Confidential Information described in Item 14 and complying with the non-compete covenants described in Item 17. In addition, all of your employees who have managerial duties at the Store, as well as all corporate officers and directors of a corporate franchisee entity (all partners in a partnership), must sign a written agreement to maintain the confidentiality of our Confidential Information described in Item 14 and comply with the non-compete covenants described in Item 17.

If at any time you do not manage the Store (or if you are a partnership, corporation or limited liability company, the designated Principal Owner) or an approved manager who has satisfactorily completed our initial training program does not manage the Store, we immediately may appoint a manager to manage the Store for you and charge you a reasonable fee for these management services.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell in your Store all, and only, those batteries and battery-related products and equipment and services that we have approved (See Item 8). You must at all times maintain an inventory of approved batteries and battery-related products and equipment in such quantities and variety that we direct. We may add new products or services that you must offer at your Store. Our right to modify the approved list of goods and services to be offered at a Store is not limited.

We may conduct market research and testing to determine consumer trends regarding new batteries and battery-related products and services. You must participate in our market research programs, test market new products and services in the Store and provide us with timely reports

and other relevant information regarding market research. We may require that you purchase a reasonable quantity of the tested products and promote and make a reasonable effort to sell these products.

As described in Items 8 and 12 above, we are establishing a National Accounts Program. Only franchisees who meet our qualifications may participate in the program and service national account customers in their Service and Revenue Area. In addition, national account customers may establish certain service requirements for products and services sold to them.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

PROVISION	SECTION IN AGREEMENT(1)	SUMMARY
a. Term of the franchise	Section 3; Section 3 of Multiple Unit Franchise Agreement	Franchise Agreement: 10 years. Multiple Unit Franchise Agreement: ends on last day of Development Schedule.
b. Renewal or extension of the term	Section 3	If you are in good standing, you can renew the Franchise Agreement for one additional 10 year term.
c. Requirements for you to renew or extend	Section 3	Provide advance notice, be in compliance <u>comply with current franchise agreement, you and your Store Manager satisfactorily complete any new/refresher training programs,</u> sign new agreement, remodel, sign release, pay renewal fee, and sign a general release of claims.
d. Termination by you	Section 17	If you comply with the Franchise Agreement, and we fail to cure a material provision within 60 days after written notice.
e. Termination by us without cause	None	
f. Termination by us with cause	Sections 16; Section 13 of Multiple Unit Franchise Agreement	We may terminate the Franchise Agreement and Multiple Unit Franchise Agreement only if you default.
g. "Cause" defined – defaults which can be cured	Sections 16(B) and (C); Section 13(A) of Multiple Unit Franchise Agreement	Franchise Agreement: You have 30 days to cure failure to open Store when required, failure to complete training, failure to comply with System standards, failure to pay amounts due us or any creditors, fail to renew or maintain Store lease, and a violation of any material provision of the Agreement. Multiple Unit Franchise Agreement: You have 30 days to cure failure to meet development requirements, failure to comply with this Agreement or the Franchise Agreement or you terminate a franchise Agreement without cause, failure to pay amounts due us or our affiliates, and failure to comply with any requirements

PROVISION	SECTION IN AGREEMENT(1)	SUMMARY
		in the Operations Manual.
h.	"Cause" defined – defaults which cannot be cured	<p>Sections 16(B) and (C); Section 13(B) of Multiple Unit Franchise Agreement</p> <p>Franchise Agreement: Failure on 3 or more occasions in any 12 months to comply with any provision, default which is not curable, repeatedly deceive Store customers, conviction of felony or other crime which harms the Store's reputation, insolvency, an assignment of assets to creditors, Store abandonment, defaults which impair the goodwill associated with the Licensed Marks, unauthorized assignment of agreement or interest, and intentionally falsify any information provided to us.</p> <p>Multiple Unit Franchise Agreement: Failure on 3 or more occasions in any 12 months to comply with any provision, unauthorized assignment, material misrepresentation or omission in franchise application, conviction of felony or other crime that harms Store's reputation, improper disclosure of Confidential Information, insolvency, unauthorized use of Licensed Marks that impairs goodwill, default which is not curable or an immediate threat or danger to public health or safety resulting from construction, maintenance or operation of the Store.</p>
i.	Your obligations on termination/nonrenewal	<p>Section 18; Section 13(C) of Multiple Unit Franchise Agreement</p> <p>Franchise Agreement: Pay all amounts due us, stop using and return manuals and other materials, assign to us the Store telephone number and telephone listing or (at our option) disconnect the telephone number, remove all signs and other materials containing any Licensed Marks, comply with obligations under the Proprietary Software license/access agreements, cancel all fictitious or assumed name filings, cease using Confidential Information, agree not to divert Store customers to any competing business for 2 years and redecorate the Store premises (also see o, r below).</p> <p>Multiple Unit Franchise Agreement: lose rights to open Stores under agreement and agree not to divert Store customers to any competing business for 2 years.</p>
j.	Assignment of contract by us	<p>Section 15(A); Section 16(A) of Multiple Unit Franchise Agreement</p> <p>Assignee must fulfill our obligations under the agreement.</p>
k.	"Transfer" by you- definition	<p>Section 15(C); Section 18 of Multiple Unit Franchise Agreement</p> <p>Franchise Agreement: Includes transfer of Store or its assets, or your interest in agreement or any significant ("controlling interest") ownership change.</p> <p>Multiple Unit Franchise Agreement: Includes transfer of agreement or assets or ownership change.</p>
l.	Our approval of transfer by franchisee	<p>Section 15(B), (C) and (D); Section 17(B), (C) and (D) of Multiple Unit Franchise Agreement</p> <p>We have the right to approve all transfers of the Franchise Agreement and the Multiple Unit Franchise Agreement, but will not unreasonably withhold approval.</p>

PROVISION		SECTION IN AGREEMENT(1)	SUMMARY
m.	Conditions for our approval of transfer	Section 15(C); Section 17(B) of Multiple Unit Franchise Agreement	Franchise Agreement: New franchisee qualifies and completes training, all amounts owed us or our affiliates are paid, and you are in good standing, new franchisee assumes existing Agreement or (at our option) signs then-current agreement, we approve transfer agreement, transfer fee paid, lease assigned (if applicable), you sign non-compete agreement and general release. No transfer fee for transfer to immediate family member. Multiple Unit Franchise Agreement: New Multiple Unit Franchisee qualifies and has completed our initial training program, you are in compliance with the agreement, and you pay the transfer fee.
n.	Our right of first refusal to acquire your business	Section 15(F)	We can match any offer for your business.
o.	Our option to purchase your business	Section 18(C)	When the Franchise Agreement expires or terminates, we may purchase assets at book value.
p.	Your death or disability	Section 15(D)	Franchise must be assigned by estate to an approved buyer within reasonable time not exceeding 12 months.
q.	Non-competition covenants during the term of the franchise	Section 14(B); Section 15 of Multiple Unit Franchise Agreement	Franchise Agreement: No involvement in wholesale or retail battery-related product business or other competing business <u>(including any e-commerce business)</u> . Multiple Unit Franchise Agreement: No involvement in wholesale or retail battery-related product business <u>(including any e-commerce business)</u> or other competing business other than one authorized under a Batteries Plus® franchise agreement.
r.	Non-competition covenants after the franchise is terminated or expires	Sections 14(C) and 18(A); Section 15(B) of Multiple Unit Franchise Agreement	Franchise Agreement: No wholesale or retail battery-related products business or any other competing business for two years within 15 miles of your location or within 15 miles of another Store. <u>Also, no e-commerce business that solicits customers within 15 mile radius of any Store.</u> Multiple Unit Franchise Agreement: No wholesale or retail battery-related business or any other competing business for two years within 15 miles of any Store in Designated Area or within 15 miles of another Store. <u>Also, no e-commerce business that solicits customers within 15 mile radius of any Store.</u>
s.	Modification of the agreement	Sections 1(B), 1(G), 10(E) and 20(F); Section 18(F) of Multiple Unit Franchise Agreement	Franchise Agreement: No modifications generally, except in writing. We may modify Operations Manual, Licensed Marks, System and goods/services to be offered to your Store. Multiple Unit Franchise Agreement: No modifications generally, except in writing.
t.	Integration/merger	Section 20(L); Section	Franchise Agreement: Only the terms of the Franchise

PROVISION		SECTION IN AGREEMENT(1)	SUMMARY
	clause	18(L) of Multiple Unit Franchise Agreement	Agreement are binding (subject to state law). Any other promises may not be enforceable. Multiple Unit Franchise Agreement: Only the terms of the Multiple Unit Franchise Agreement are binding (subject to state law). Any other promises may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 19; Section 17 of Multiple Unit Franchise Agreement	Franchise Agreement: Except for actions we bring for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes first will be subject to non-binding mediation at our headquarters in Hartland, Wisconsin, then (if not resolved) to binding arbitration in Milwaukee, Wisconsin. Multiple Unit Franchise Agreement: Except for actions we bring us for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes first will be subject to non-binding mediation at our headquarters in Hartland, Wisconsin, then (if not resolved) to binding arbitration in Milwaukee, Wisconsin.
v.	Choice of forum	Section 20(D); Section 18(D) of Multiple Unit Franchise Agreement	Franchise Agreement: Litigation not subject to arbitration must be in Waukesha County, Wisconsin (subject to state law). Multiple Unit Franchise Agreement: Litigation not subject to arbitration must be in Waukesha County, Wisconsin (subject to state law).
w.	Choice of law	Section 20(E); Section 18(D) of Multiple Unit Franchise Agreement	Franchise Agreement: Apply law of the state in which your Store is located. This is not a waiver of any right you may have under the General Business Law of New York. Multiple Unit Franchise Agreement: Apply law of the state in which your principal business is located. This is not a waiver of any right you may have under the General Business Law of New York.

(1) Unless otherwise noted, section references to the Franchise Agreement.

These states have statutes which may supersede the Franchise Agreement and (if applicable) the Multiple Unit Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise: ALASKA [Stat. Sections 45.45.700-45.45.790], ARKANSAS [Code Sections 4-72-201 – 4-72-210], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e *et seq.*], DELAWARE [Code Sections 2551 - 2556], HAWAII [Rev. Stat. Section 482E-6], ILLINOIS [815 ILCS Sections 705/4 and 705/17 - 705/20], INDIANA [Stat. Section 23-2-2.7-1 – 23-2-2.7-7], IOWA [Code Sections 523H.1-523H.17 and 537A.10], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14 and 80C.21], MISSISSIPPI [Code Section 75-24-51 – 75-24-63], MISSOURI [Stat. Sections 407.400 – 407.413 and 407.420], NEBRASKA [Rev. Stat. Sections

87-401 – 87-410], NEW JERSEY [Stat. Sections 56:10-1 – 56:10-12], RHODE ISLAND [Stat. Sections 19-28.1-14 – 19-28.1-16 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim enforceable under this Act.”], SOUTH DAKOTA [Codified Laws Sections 37-5A-51 and 37-5A-51.1], VIRGINIA [Code 13.1-557-574], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.01-135.07]. These and other states may have court decisions which may supersede the Franchise Agreement and (if applicable) the Multiple Unit Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise.

ITEM 18

PUBLIC FIGURES

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

ITEM 19

EARNINGS CLAIMS

An earnings claims entitled “Unaudited Statement of Average Net Sales and Merchandise Margin Percentage” immediately follows this Offering Circular as Exhibit A. Except as described in Exhibit A, we do not furnish or authorize our sales persons to furnish any oral or written information or representations or statements of actual sales, costs, income or profits of a Store. Actual results vary from unit to unit and we cannot estimate the results of any particular franchisee. You must sign a disclosure acknowledgment statement (Exhibit I), in which you agree that no earnings claims other than those described in Exhibit A have been made to you.

THE AVERAGE NET SALES AND MERCHANDISE MARGIN PERCENTAGE STATED IN EXHIBIT A ARE AVERAGES BASED ON INFORMATION WE RECEIVED FROM OUR FRANCHISEES. YOU SHOULD NOT CONSIDER THIS INFORMATION AS THE ACTUAL OR POTENTIAL NET SALES OR MERCHANDISE MARGIN PERCENTAGE THAT ANY FRANCHISEE WILL REALIZE. WE DO NOT REPRESENT THAT ANY FRANCHISEE CAN EXPECT TO OBTAIN THESE RESULTS. A FRANCHISEE’S FINANCIAL RESULTS MAY DIFFER FROM THE FIGURES PRESENTED IN EXHIBIT A.

We will, on reasonable demand, provide to you the supporting data for all information illustrated in Exhibit A.

ITEM 20

LIST OF OUTLETS
FRANCHISE STORE
STATUS SUMMARY FOR
YEARS 2004/2003/2002/2001⁽¹⁾

State	Transfers	Canceled Or Terminated	Not Renewed	Reacquired By Franchisor	Left The System Other	Total From Left Columns	Franchises Operating At Year End
Alabama	0/0/0	0/0/0	0/0/0	0/0/0	0/1/0/0	0/1/0/0	4/4/5/4
Alaska	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
Arizona	0/0/0	0/0/0	0/0/0	0/0/0	0/1/0/0	1/0/1/0	11/12/11/12
California	0/1/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/1/0/0	11/8/5/4
Colorado	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	10/10/10
Connecticut	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/0/0
Florida	0/1/0/0	0/0/0	0/0/0	0/0/0	1/0/1/0	0/2/0/4	40/11/10/11
Georgia	0/0/4/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/4/0	10/11/10/9
Idaho	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/0/0
Illinois	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	12/11/10/4
Indiana	0/0/0	0/0/0	0/0/0	0/0/0	0/1/0/0	0/1/0/0	11/40/11/10
Iowa	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/2/2
Kansas	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	3/3/3
Kentucky	0/1/0/0	0/0/0	0/0/0	0/0/0	0/1/0/0	0/2/0/0	5/7/6/3
Louisiana	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/2/2/4
Maryland	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
Michigan	0/0/1/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1/0	7/6/6/5
Minnesota	0/0/0	0/0/0	0/0/0	0/0/0	0/0/2/0	0/0/2/0	17/16/15/13
Mississippi	0/0/0	0/1/0/0	0/0/0	0/0/0	0/1/0/0	1/0/1/0	0/1/2/2
Missouri	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	7/6/5/5
Montana	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/2/4/2
Nebraska	0/0/0	0/0/0	0/0/0	0/0/4/0	0/0/0	0/0/4/0	1/1/1
Nevada	0/2/0/0	0/0/0	0/0/0	0/0/3/0	0/0/0	0/2/0/3	4/4/3/4
New Hampshire	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/4/2/1
New Jersey	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/0/0
New Mexico	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	3/2/3/3
North Carolina	0/1/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/1/0/0	13/11/9/9
North Dakota	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/2/2
Ohio	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	5/4/4
Oklahoma	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	3/5/4/5/0/4
Oregon	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	5/4/4/3/1
Oregon	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	5/5/4
Pennsylvania	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	5/3/5/3
Puerto Rico	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0/1
Rhode Island	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0/1
South Carolina	0/0/4/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/4/0	5/5/4/2
South Dakota	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/2/4/2
Tennessee	0/2/0/0	0/0/0	0/0/0	0/0/0	0/1/0/0	0/3/0/0	10/9/9/8
Texas	0/0/0	0/1/0/0	0/0/0	0/0/0	0/0/4/0	1/0/1/0	15/12/12/11

State	Transfers	Canceled Or Terminated	Not Renewed	Reacquired By Franchisor	Left The System Other	Total From Left Columns	Franchises Operating At Year End
Utah	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	3/2/4
VirginiaUtah	0/0/0	0/0/0	0/0/0	0/0/0	0/0/20	0/0/20	73/63/62
Virginia	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	8/7/6
Washington	0/0/10	0/0/0	0/0/0	0/0/0	0/0/0	0/0/10	4/3/3/2
Wisconsin	0/1/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/1/0/0	2/4/2/1
TOTAL	3/6/13	1/0/1/0	0/0/0	0/0/40	2/5/2/4	6/12/3/4	224/211/191/4 62

(1) Numbers for 2003, 2002, 2004, 2003 and 2001, 2002 are as of December 31 of each year.

**STATUS OF THE COMPANY-OWNED STORES
FOR YEARS 2004/2003/2002/2001 (1)**

STATE	STORES OPENED DURING YEAR	STORES CLOSED DURING YEAR	BATTERIES' STORES OPERATING AT YEAR END
Illinois	0/0/0	0/0/4/1 ⁽²¹⁾	0/0/40
Nevada	0/0/30	0/0/3/0 ⁽²¹⁾	0/0/30
Wisconsin	0/0/0	0/1/1/0 ⁽²¹⁾	14/14/15/16
TOTAL	0/0/30	0/1/8/4	14/14/15/23

(1) In addition, one of our officers owns a 50% interest in a franchised Store in Dayton, Ohio.

(2) The 4 stores in Illinois, 2 of the 3 stores in Nevada and the store in Wisconsin listed as closed actually were sold to franchisees and now are operated as franchised Stores.

**PROJECTED OPENINGS
AS OF DECEMBER 31, 2003, 2004**

STATE	FRANCHISE AGREEMENT SIGNED BUT STORE NOT OPENED	PROJECTED FRANCHISE NEW STORES IN THE NEXT FISCAL YEAR	PROJECTED COMPANY OWNED OPENINGS IN NEXT FISCAL YEAR
ArizonaAlabama	0	1	
California	2	3	
Colorado	0	1	
Connecticut	0	1	
Florida	2	1	
Georgia	0	1	
Idaho	0	1	
Illinois	0	12	
KansasIowa	0/1	1	
Kentucky	0	1	
Massachusetts	1	1	
Michigan	0/1	23	
Minnesota	0/1	21	

STATE	FRANCHISE AGREEMENT SIGNED BUT STORE NOT OPENED	PROJECTED FRANCHISE NEW STORES IN THE NEXT FISCAL YEAR	PROJECTED COMPANY OWNED OPENINGS IN NEXT FISCAL YEAR
Missouri	02	40	
Montana	1	1	
New Hampshire	1	0	
New Jersey	0	1	
New York	1	40	
North Carolina	2	2	
Ohio	01	43	
Oklahoma	01	1	
Oregon	0	4	
Pennsylvania	01	42	
South Carolina	40	42	
Tennessee	0	4	
Texas	01	35	
Utah	01	1	
Virginia	40	21	
Washington	1	42	
TOTAL	4019	3434	0

**MULTIPLE UNIT FRANCHISE AGREEMENTS ENTERED INTO
AS OF DECEMBER 31, 2003/2004**

State	Multiple Unit Franchise Agreements	Total Number of Businesses to be Developed
Arizona	1	2
California	35	37/47
Connecticut	1	1
Florida	42	47
Idaho	2	2
Illinois	43	14
Kentucky	1	1
Massachusetts	1	7
Michigan	1	43
Missouri/New Jersey	1	42
North Carolina	2	2
Ohio	2	3
Oklahoma	42	44
Oregon	1	2
Pennsylvania	1	1
South Carolina	34	5
Tennessee	1	1
Texas	42	11
Utah	42	44
Virginia	21	31
Washington	32	32
TOTALS	2838	96122

- (1) This chart only identifies Multiple Unit Franchise Agreements for which a franchisee must, in the future, develop one or more Stores and sign a Franchise Agreement for each of the Stores to be developed.

The names, addresses and telephone numbers of all Batteries Plus® franchisees as of January 31, ~~2004~~2005 are listed in Exhibit E.

Also listed on Exhibit E is the name and last known home address and telephone number of every franchisee who has 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 has not communicated with us since January 31, ~~2004~~2005.

ITEM 21

FINANCIAL STATEMENTS

The following financial statements are attached as Exhibit B: (i) the consolidated balance sheetsheets for Batteries as of December 31, ~~2004 and December 31, 2003~~, and the related consolidated statements of income, members' equity and cash flows for each of the yearyears ended ~~December 31, 2004 and December 31, 2003~~; and (ii) the consolidated balance sheetsheet for Batteries as of December 31, ~~2002 and December 31, 2001, 2002~~, and the related consolidated statementsstatement of income, members' equity and cash flows for each of the periodsperiod ended ~~December 31, 2002, December 31, 2001 and December 31, 2000, 2002~~.

ITEM 22

CONTRACTS

The Multiple Unit Franchise Agreement is attached as Exhibit C and the Franchise Agreement (including CounterPoint Software Access Agreement, Pro- Source Software Agreement and Personal Guaranty) is attached as Exhibit D.

ITEM 23

RECEIPT

Two copies of an acknowledgment of your receipt of this Offering Circular are included at the end of this Offering Circular (Exhibit J). You should keep one copy as your file copy and return the second copy to us.