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18. Conduct the Initial Training Program. Before you open your Business, you (or your Franchisee Principal if you are an entity franchisee (see Item 15)) must attend and successfully complete the Initial Training Program. The Initial Training Program must also be attended and successfully completed by whomever you intend to manage the day-to-day operation of your Business and to be the manager of your trainers in Carnegie Programs (which in either case may be you, although at least two people must successfully complete the Initial Training Program). The Initial Training Program will be conducted at Dale Carnegie's headquarters in Hauppauge, New York. The Program typically comprises five days of training, but can last up to 6 days, and will include a company overview and history, with a tour of Dale Carnegie's Distribution Center and the Dale Carnegie Heritage Museum. The trainer for each portion of the Initial Training Program is listed in the chart below, which summarizes the Initial Training Program. The experience of each trainer is described in Item 2 of this offering circular.

Based on a competitive analysis of your specific marketplace, we will work with you during the Initial Training Program to create a complete Marketing Plan for your territory. You will be taught how to recruit, train and retain your sales staff. You will be shown and practice our method of consultative

selling and participate in giving talks to fellow Initial Training Program participants. We will also teach you how to operate the Business, from office design and staffing requirements to the creation of letterhead and invoices. You will also be taught how to install and use Dale Carnegie's e-mail system and its proprietary software, DC Client Builder™. The accounting portion will cover things, including budgeting, business planning, cash flows, and investing.

The following is a summary of the Initial Training Program:

SUBJECT	TIME BEGUN	INSTRUCTIONAL MATERIAL	HOURS OF CLASSROOM TRAINING	INSTRUCTION
Welcome, Building & Dale Room Tour	8:30 am		1 hour, 30 minutes	Michael Crom
Marketing Plan Presentation	10 am	Spiral Bound Manual	6 hours, 30 minutes	David Fagiano
Introduction to Sales Plan	8:30 am	Spiral Bound Manual	7 hours	J. Covilli / J. Van Doorne/Thomas Kaletta/Triana Newton
1 & 2 Day Seminars	1 pm	Spiral Bound Manual	1 hour	J. Covilli / J. Van Doorne
IT Training (DC Client Builder™, Lotus Notes, ACT!)	8:30am	Spiral Bound Manual	8 hours	IT Department
Budgeting & Acctg.	8:30 am	Spiral Bound Manual	1 hour, 30 minutes	Marc Johnston
Marketing/Sales Launch Plan	10 am	Spiral Bound Manual	5 hours, 30 minutes	D. Fagiano / Piera Palazzolo
Product & Trainer Certification	1 pm	Spiral Bound Manual	1 hour	J. Covilli / J. Van Doorne
Marketing & Sales Presentations	8:30 am	Spiral Bound Manual	3 hours, 30 minutes	Piera Palazzolo

ON-SITE TRAINING PROGRAM. Dale Carnegie will provide you with no less than 10 days of on-site training before the opening of your Business. You (and the persons set forth in the Operations Manual and Business Model) must attend and successfully complete the on-site training program. Dale Carnegie will decide on the duration and timing of this on-site training. There will be no additional charge for this training.

APPRENTICESHIP PROGRAM. Before you open your Business, you or a designee approved by us (and the persons set forth in the Operations Manual and Business Model) must attend and successfully complete an apprenticeship program. Your apprenticeship program consists of up to 5 working days of training at the Carnegie Center and/or Training Facility of an existing Dale Carnegie franchisee. The location, starting date, and duration of your apprenticeship program will be determined by us, before completion of your Initial Training Program.

In addition to the Operations Manual, you will also receive a Business Model that will help you launch, grow and sustain your franchise.

* * *

The cost for the Initial Training Program, the On-Site Training Program, and the Apprenticeship Program will be included in the Initial Franchise Fee. You must pay all expenses incurred by you and your personnel in connection with any training, including, transportation costs, meals, lodging, and other living expenses. (Franchise Agreement, Sections 8.3, 8.4 and 9.6).

If Dale Carnegie determines that you have failed to successfully complete the Initial Training Program, Dale Carnegie can terminate the Franchise Agreement. If it does so, Dale Carnegie will return to you 25% of the Initial Franchise Fee.

Any of your personnel who must, but do not, attend the Initial Training Program because they are hired after you open the Business must attend and successfully complete the next scheduled Initial Training Program, the On-Site Training Program, and the Apprenticeship Program. You must pay the additional charge set forth in the Operations Manual and Business Model for training those persons (which will be no greater than \$1,000 per person as of the date of the Franchise Agreement, adjusted for any increases in the Consumer Price Index) and all expenses associated with the training.

ON-GOING TRAINING. Dale Carnegie may conduct conventions and seminars. Dale Carnegie strongly recommends, but does not require you to attend its international conventions. Dale Carnegie will determine the duration, curriculum and location of its conventions and seminars. You must pay all related living and transportation expenses associated with any conventions and seminars.

OBLIGATIONS AFTER OPENING

During the operation of your business, Dale Carnegie will:

1. Furnish you with any specifications for required products and services. (Franchise Agreement, Section 9.7)
2. Sell you required proprietary and non-proprietary materials (Franchise Agreement, Section 9.8.)
3. Approve or disapprove any advertising, marketing, identification and promotional materials you propose within five business days of receipt. If Dale Carnegie does not respond in five business days, the material is approved. (Franchise Agreement, Section 11.2)
4. Sell you advertising copy, advertising plans and other promotional and/or advertising materials that Dale Carnegie has developed, if you desire to purchase them. (Franchise Agreement, Sections 8.7 and 11.1)
5. Sell you other optional materials, including media buying services, direct mail marketing materials or services and camera-ready advertising to be used in classified telephone directories. (Franchise Agreement, Section 8.7)
6. Furnish you with all information, instructions, techniques, data, instructional materials, forms and other operational developments pertaining to the operation of the Business

which we may occasionally develop and incorporate in the Carnegie System. (Franchise Agreement, Section 8.2)

7. Furnish you with those field support services Dale Carnegie considers appropriate. Dale Carnegie may provide these services in the manner it deems appropriate, including, for example, on-site, off-site, by telephone, or through other means. Timing will depend on the availability of Dale Carnegie's personnel. (Franchise Agreement, Section 8.6)

8. Specify in the Operations Manual and Business Model the electronic or written accounting and information systems, procedures, formats and reporting requirements which you must use to account for your Business, maintain your financial records and generate reports for both you and us. (Franchise Agreement, Section 8.8)

9. Conduct market research and testing to determine consumer trends and the desirability of new or modified Carnegie Programs. You must cooperate with Dale Carnegie in doing so. (Franchise Agreement, Section 8.9)

10. Either establish maximum prices above which you may not sell Carnegie Programs, or suggest prices. Dale Carnegie will not, however, establish or advertise any minimum prices below which you may not sell Carnegie Programs. (Franchise Agreement, Section 8.10)

11. Consult periodically with elected representatives of the Dale Carnegie Franchise Association on matters of concern to our franchisees, and areas of mutual concern, provided that the Dale Carnegie Franchise Association represents a majority of our franchisees, is open to membership by any franchisee in good standing, and acts democratically and responsibly. In addition, Dale Carnegie will so consult with no more than 4 separate associations representing franchisees' interests in North America, Europe, Asia and Latin/South America (or any combination of those regions), if franchisees and the Dale Carnegie Franchise Association choose to restructure or divide into separate associations and those associations represent a majority of franchisees in the geographical areas being covered, are open to membership by any franchisee in good standing, and act democratically and responsibly.

Dale Carnegie will work with the Dale Carnegie Franchise Association (or any other associations) as the franchisees' representative, and encourage franchisees to become members of the Association (or any other associations). Dale Carnegie also will review with the Association (or any other associations) Dale Carnegie's role in sourcing supplies required to conduct Carnegie Programs, with a view towards minimizing your and other franchisees' costs consistent with assuring a consistent source of supply of quality materials that meet applicable Carnegie System requirements; provided that you agree that Dale Carnegie has the right to receive a profit on the sale of materials.

Despite Dale Carnegie's consultation obligations, Dale Carnegie has the sole and absolute right to make all decisions regarding all matters upon which it is obligated to consult. (Franchise Agreement, Section 8.11)

12. Train any trainer candidates you nominate whom Dale Carnegie accepts for training. See above in this Item 11. (Franchise Agreement, Section 8.4 and 9.6).

13. License you to operate the Lotus Notes e-mail system (through which you can contact other franchisees and Dale Carnegie) and Dale Carnegie's proprietary DC Client Builder™ software. (Franchise Agreement, Section 9.16).

See Item 6 for a description of these software programs and their costs. You must sublicense Lotus Notes from Dale Carnegie (although you may license it yourself from another person), license the DC Client Builder™ software from Dale Carnegie, and sign the Software License Agreement (Exhibit C to the Franchise Agreement).

Dale Carnegie has the non-exclusive right to sublicense Lotus Notes to its franchisees. Dale Carnegie has this right for one-year periods which are generally renewed annually. Dale Carnegie uses Lotus Notes as its e-mail system to maintain a computer network through which franchisees can communicate with Dale Carnegie and each other. The e-mail system is used, among other things, for asking questions, discussing common issues and disseminating information from Dale Carnegie, including promotional materials. Dale Carnegie's sublicense of Lotus Notes to you and your use of Lotus Notes is subject to the IBM International Program License Agreement. If Dale Carnegie loses its rights to sublicense Lotus Notes for any reason, then your sublicense of Lotus Notes will expire and, in that event, Dale Carnegie will not be liable to you in any way (including for any fees you paid Dale Carnegie for the sublicense).

Dale Carnegie's DC Client Builder™ system is a proprietary, custom written and developed software package that enables you to operate your Business effectively by, for example, tracking your registrations in Carnegie Programs and preparing and submitting registration reports to Dale Carnegie.

Under the Franchise Agreement, you must purchase and install, at your expense, all computer equipment (including, for example, computer hardware, software, telephone and power lines, and other computer facilities) that Dale Carnegie describes in the Operations Manual and Business Model and must keep your computer system in good maintenance and repair. (Franchise Agreement, Section 9.16). Dale Carnegie is not obligated to provide or assist you in obtaining any equipment, except the Lotus Notes and DC Client Builder™ software programs. If Dale Carnegie runs tests and determines that the installation will benefit you and Dale Carnegie, you must install at your own expense the additions, modifications, substitutions or replacements to your computer hardware, software, telephone and power lines and other computer facilities as Dale Carnegie directs. (Franchise Agreement, Section 9.16). The Franchise Agreement does not limit the cost or frequency of these the additions, modifications, substitutions or replacements.

You will use the required hardware and software to operate your Business effectively by, for example, tracking your registrations in Carnegie Programs and preparing and submitting registration reports to Dale Carnegie, and to communicate with Dale Carnegie and other franchisees in order to ask questions, discuss common issues, and receive information from Dale Carnegie, including promotional materials. Dale Carnegie may retrieve from your computer system all information pertaining to your Business that it deems necessary, desirable or appropriate, but not other information. Dale Carnegie will bear the cost of information retrieval. (Franchise Agreement, Section 9.16).

As of the date of this offering circular, Dale Carnegie's required minimum specifications for your computer system are as follows:

DC Client Builder™:

- Microsoft Windows XP, 2000
- 128 MB RAM required; 256 MB or more recommended.
- Broadband Internet 512 kbps ADSL or faster

Lotus Notes:

- Microsoft Windows XP, 2000
- 128 MB RAM required; 256 MB or more recommended.

14. Conduct Dale Carnegie advertising and promotional activities (Franchise Agreement, Sections 11.1 – 11.5) as follows:

You must pay to Dale Carnegie a monthly Marketing Contribution, equal to 3% of your Gross Revenues (see Franchise Agreement, Section 6.3). See Item 6 for information about the amount of your Marketing Contributions. There are no franchisees in the United States who contribute at a different rate (although certain franchisees in other countries pay less than you and others pay nothing). While Dale Carnegie will consult with franchisees concerning advertising and promotion (see above in this Item 11 and Franchise Agreement, Section 8.11), Dale Carnegie alone will direct all its advertising programs and promotions with sole control over the creative concepts, materials and media used, placement and allocation. Dale Carnegie need not make expenditures for you which are equivalent or proportionate to your contributions. Dale Carnegie need not ensure that you benefit directly or proportionately from its advertising. The aggregate of franchisees' Marketing Contributions is not a trust or an "advertising fund" and Dale Carnegie is not a fiduciary. Dale Carnegie need not maintain the Marketing Contributions paid by its franchisees or income earned from these Marketing Contributions in a separate account from its other funds.

The Marketing Contributions may be used to meet all costs of administering, directing, preparing, placing and paying for international, national, regional or localized advertising. This includes the cost of preparing and conducting television, radio, magazine, newspaper and World Wide Web/Internet advertising campaigns and other public relations activities and the cost of employing public relations firms and advertising agencies. Dale Carnegie can spend the Marketing Contributions for its reasonable administrative costs and overhead in activities related to the administration or direction of advertising and promotional programs and new Carnegie Program development and research. Dale Carnegie does not use any part of the Marketing Contribution for advertising that is principally a solicitation for the sale of franchises.

Any portion of unused Marketing Contributions Dale Carnegie does not spend in the year they are collected will be carried over to the following year without any deduction for state or federal taxes. Upon reasonable request, Dale Carnegie will provide you with an annual statement reflecting receipts and expenditures of aggregate Marketing Contributions.

Dale Carnegie will contribute 3% of the Gross Revenues from its company-owned Centers of Excellence to the Marketing Contributions it collects from its franchisees, but has no obligation to contribute more than that amount from any source.

In the fiscal year ended August 31, 2006, Dale Carnegie spent approximately 48.2% of Marketing Contributions on production (11.4% on the creative agency and the public relations firm, 1.1% on

materials and consultants, 4.8% on web maintenance, 21.9% on market and search engine tests and associated administrative costs, and 51.8% on media placement (19.0% on Co-op Advertising, 22.9% on the Dale Day Promotion and associated administrative costs.

OTHER ADVERTISING INFORMATION

You must spend not less than 5% of your Gross Revenues on marketing, advertising, promotion, public relations, education, training or other types of expenditure reasonably calculated to develop and satisfy demand in your Territory for Carnegie Programs. Dale Carnegie does not require franchisees to participate in local or regional advertising cooperatives, nor does it require advertising cooperatives to be formed, changed, dissolved or merged. You may advertise in your Territory so long as your advertising does not violate any Dale Carnegie policy or reflect unfavorably upon Dale Carnegie or a Carnegie Program.

We may publish and distribute periodically a North American catalog detailing programs made available by you and other franchisees in the months immediately following distribution of the catalog. Upon our request, you will promptly furnish us with the dates, times and locations where various programs will be offered in your Territory, and any other reasonably requested information concerning those programs, for inclusion in the catalog.

You may develop advertising materials for your own use, at your own cost. Dale Carnegie must approve these advertising materials in advance and in writing. You must submit them according to Dale Carnegie's required procedures. If Dale Carnegie does not respond within 5 business days after receiving your proposed advertising material, the material is approved.

You may not maintain a Web Site or otherwise advertise on the Internet or any other public computer network in connection with your Business, unless you obtain our prior written approval, which we may grant or deny at our sole discretion, and you may never conduct Carnegie Programs other than in person. You must submit to Dale Carnegie for approval true and correct printouts of all pages you propose to use in your Web Site before use. You may also use material which Dale Carnegie has approved. Your Web Site must conform to all Dale Carnegie Web Site requirements. You must provide all hyperlinks or other links Dale Carnegie requires. If Dale Carnegie grants approval for a Web Site, you may not utilize Dale Carnegie's Proprietary Marks at the Web Site except as Dale Carnegie expressly permits. You may not post any of Dale Carnegie's proprietary, confidential or copyrighted material or information on your Web Site without Dale Carnegie's approval. If you wish to modify your approved Web Site, you must first obtain Dale Carnegie's approval for all proposed modifications. You must list any Web Site maintained by Dale Carnegie on your Web Site, and any other information Dale Carnegie requires. You must obtain Dale Carnegie's prior written approval for any Internet domain name, home page address, and/or URL. Dale Carnegie will own any domain name, home page address, and URL for the Web Site(s) you maintain in connection with the Business and will register them for you at your expense. These requirements for Dale Carnegie's prior approval will apply to all your activities on the Internet or other communications network. However, you may maintain one or more E-mail addresses and may conduct individual E-mail communications without Dale Carnegie's prior written approval. You must first obtain Dale Carnegie's approval if you propose to send advertising to multiple addresses via E-mail.

15. Internet and Revenue Sharing (Franchise Agreement, Article 4.)

If Dale Carnegie offers, sells or conducts via the Internet or any other computer network any proprietary instructional program, system, teaching and management technique, educational program, survey and/or program developed by Dale Carnegie or third parties (an "On-Line Program"), then Dale Carnegie will share gross revenues received from those sales with you and its other franchisees, as described in Article 4 of the Franchise Agreement. Dale Carnegie will perform all invoicing, revenue collecting and disbursements concerning the sale of On-Line Programs, and Dale Carnegie will sign all contracts for On-Line Programs. Your license is limited to providing in-person training of Carnegie Programs, and you have no right to sell any On-Line Programs, except as strictly provided in the revenue sharing provisions of the Franchise Agreement (which allow you to make arrangements for the sale and presentation of On-Line Programs by Dale Carnegie).

Dale Carnegie may also test the appeal of new programs by conducting seminars in your Territory. If it does so, Dale Carnegie will remit to you those amounts as are described in the Franchise Agreement and the Operations Manual and Business Model.

Dale Carnegie will make any revenue sharing payments due to you and other franchisees via electronic transfer of funds quarterly on April 15th, July 15th, October 15th and January 15th of each calendar year, or credit any of these payments to any outstanding balance you owe Dale Carnegie. The revenues you receive from revenue sharing are not included in the Gross Revenues for your Business upon which you must pay Dale Carnegie a Monthly Royalty, a Marketing Contribution, etc.

TIME TO OPEN

You must open your Business by providing your first Carnegie Program within 120 days after the Effective Date of the Franchise Agreement (which will be agreed upon before you sign the agreement). Dale Carnegie estimates that the typical length of time between the signing of the Franchise Agreement and providing the first Carnegie Program is between 1 and 3 months. Factors that generally affect this length of time include finding a location, the condition of the location, the past history of business in your territory, the number of people and businesses in your territory, your sales efforts and the general manner in which you operate your Business.

You must comply with Dale Carnegie's Center Location and Training Facility Location specifications, requirements and restrictions contained in the Operations Manual and Business Model. In determining whether to approve your Center Location, Dale Carnegie will consider factors, including whether the location is in a metropolitan area zoned for commercial/business with an easily found address, has adequate parking, and is fairly central to the area in which you will be concentrating on sales. Dale Carnegie will also consider whether you intend to own or lease your proposed Center Location and upon what terms.

In determining whether to approve your Training Facility Location, Dale Carnegie will consider factors similar to those used in granting approval for your Center Location. You must obtain approval for your Center Location and Training Facility Location within 120 days after the date the Franchise Agreement is entered into, and in sufficient time so that you can begin providing your first Carnegie Program in that time. If you do not obtain Dale Carnegie's approval for site locations, or otherwise do not meet your pre-opening obligations, then Dale Carnegie may terminate the Franchise Agreement (see Item 17).

AREA DEVELOPMENT AGREEMENT

If the Area Developer is not in default of the Area Development Agreement or any Franchise Agreements, Dale Carnegie will grant Area Developer the right and obligation to operate Businesses in the Development Territory pursuant to the Development Schedule and the terms of the Area Development Agreement and each Franchise Agreement. Under the Franchise Agreements, Dale Carnegie will perform the training, instruction, assistance and other activities as the Franchise Agreements require and as described above in this Item 11. Except as described in the Franchise Agreements, we need not provide any additional assistance to Area Developer.

ITEM 12

TERRITORY

Dale Carnegie will designate a geographic area (the "Territory") within which you may promote, offer, organize and conduct Carnegie Programs. Generally, the minimum territory Dale Carnegie grants contains a population of at least one million people. The size of your Territory will depend upon various factors, including the population in the area, the demographics of the area, the amount and type of businesses in the area and the performance of any previous franchisees in the area. Dale Carnegie describes the Territory in Appendix B to your Franchise Agreement. You do not receive the right to acquire additional franchises within your Territory or contiguous areas.

You must operate your Business from one or more Carnegie Centers located in the Territory. Each Carnegie Center must contain an office to manage and administer the Business, comply with Dale Carnegie's requirements and be approved by Dale Carnegie before you open. You may not relocate a Carnegie Center without Dale Carnegie's approval. You must conduct Carnegie Programs only at Training Facilities located in the Territory which meet Dale Carnegie's requirements. You may, but are not required to, maintain Training Facilities at your Carnegie Centers.

You will have the limited exclusive right to offer, sell and teach Carnegie Programs within your Territory. You may only conduct Carnegie Programs in person. Carnegie Programs means (and you are only licensed to sell and conduct) in-person training of Dale Carnegie's nine fundamental programs and related services (including consulting, needs assessments, evaluations, interviews and executive summary sessions), new or modified programs which Dale Carnegie may develop in the future and license to its franchisees (with specific approval) and programs which you propose for your clients and Dale Carnegie approves. Dale Carnegie will also grant you the right to use its training materials, other materials and supplies. You also must be qualified, willing and ready to offer and conduct all Carnegie Programs. If you do not offer and conduct a Carnegie Program after notice from Dale Carnegie or a specific request from a client to do so, Dale Carnegie may offer and conduct that Carnegie Program in your Territory, or authorize someone else to do so. Finally, your territorial rights are limited by certain rights reserved by Dale Carnegie and your obligation to participate in Dale Carnegie's Strategic/Global Accounts Program (see below in this Item 12).

You must not advertise or promote the Business in any media not having at least 75% of its total circulation or coverage within your Territory, without first obtaining our prior authorization. In addition, you must not issue or distribute any advertising or promotional material, engage in any on-site promotional visits, or otherwise advertise or promote your Business outside your Territory, without first obtaining our prior authorization.

You must not offer or sell any Carnegie Program to any potential client (i) having a residence located outside your Territory, if the potential client is an individual; or (ii) having a business address

located outside your Territory, if the potential client is a corporation or other entity. In addition, if you receive, through any advertising or promotional activity of any kind, whether within or outside your Territory, any information concerning a potential client having a residence (if an individual) or a business address (if an entity) located within the territory granted to another Dale Carnegie franchisee or licensee, then, within 10 days of your receipt of this information, you must provide all of this information to that other Dale Carnegie franchisee or licensee.

While the Franchise Agreement is in effect and you are not in default, Dale Carnegie and its Affiliates will not, in your Territory, operate a company-owned business of the type offered under this offering circular or grant a franchise to another franchisee to operate this business. However, Dale Carnegie reserves all rights not specifically granted to you in the Franchise Agreement, including the right, now or in the future:

- To own and operate, and authorize others to own and operate, Carnegie Centers or Carnegie Businesses at any location outside the Territory, including those proximate to, adjacent to or abutting the Territory.
- Except as limited by the Franchise Agreement, to use or license Dale Carnegie's Proprietary Marks within or outside the Territory to offer or sell any service or product, whether or not these services or products are competitive with the Business or the Carnegie System, including to offer, sell and conduct (either itself or through others): any proprietary instructional programs, systems, teaching and management techniques, educational programs, consulting, surveys or programs (including ones based on less than all of the modules or content of a Carnegie Program), whether in person or through "channels and methods of distribution and presentation other than an in-person mode of training" (as defined below), to any person wherever situated, including within the Territory and proximate to your Center(s) or Training Facilities and without regard to the impact on your Business; provided, that Dale Carnegie will not offer, sell or conduct Carnegie Programs (as strictly defined in Section 1.1 of the Franchise Agreement) in your Territory. Dale Carnegie will share its gross revenues received from these activities with you and with its other franchisees, as described in Article 4 of the Franchise Agreement.

Other "channels and methods of distribution and presentation other than an in-person mode of training" may include electronic presentations via computer networks (including the World Wide Web, other areas of the Internet or other on-line networks); satellite broadcasts; private cable hookups; audio tapes, videotapes; CD-ROMs; computer programs; conference calls; catalogues; direct mail; and other communications methods of any nature now devised or devised in the future, other than an in-person mode of training.

- To purchase, merge, acquire, be acquired by or affiliate with any other business, including one that provides training services in the Territory, except that any facility of that business organization within the Territory will not be permitted to operate under the Proprietary Marks until the termination or expiration of the Franchise Agreement, but will be permitted to continue operation under any other name or mark.
- After the termination or expiration of the Franchise Agreement, to offer and sell in your Territory (directly or through franchisees) the same products and services which you will offer and sell under the Franchise Agreement.

Dale Carnegie has not established and does not currently intend to establish any other franchises, company-owned outlets or other distribution channels offering similar services or products under a different trademark in the Territory.

STRATEGIC/GLOBAL ACCOUNTS PROGRAM

You must participate in the Dale Carnegie Strategic/Global Accounts Program. The purpose of the Strategic/Global Accounts Program is to develop marketing programs and assist franchisees and Centers of Excellence in selling Carnegie Programs to customers with locations in more than one territory, fulfilling these customers' needs and permitting the Carnegie System to compete more effectively with other global providers of competing services. A "Strategic/Global Account" is a current or prospective client for Carnegie Programs that has locations in two or more territories; requests training on a regional, national or global basis; has the potential for annual sales revenues from Carnegie Programs of more than \$50,000; and is on the Strategic/Global Accounts list prepared by the Strategic/Global Accounts Committee. The "Strategic/Global Accounts Committee" is made up of eight individuals, four appointed by Dale Carnegie and four appointed by the Dale Carnegie Franchise Association. Dale Carnegie may modify or terminate (and then reinstate) the Strategic/Global Accounts Program upon notice to you. Your provision of services to any Strategic/Global Account is restricted to your Territory.

The Strategic/Global Accounts Program will be conducted as stated in the Operations Manual and Business Model and, as of the date of this offering circular, as follows:

A. All Strategic/Global Accounts contracts must be in a form required by the Strategic/Global Accounts Committee, must be approved by the Strategic/Global Accounts Committee, and will be signed by Dale Carnegie and the Strategic/Global Account. The Strategic/Global Accounts Committee will establish guidelines, including maximum pricing guidelines, which we will approve or disapprove for inclusion in a Strategic/Global Accounts contract. The pricing guidelines approved by us and/or the contract prices under a Strategic/Global Accounts contract may be different than the pricing guidelines that you, other franchisees, or a Center of Excellence charge for Carnegie Programs.

B. For each Strategic/Global Account, we will designate a franchisee or company-owned Center of Excellence as the "responsible person" for that Strategic/Global Account. Typically, the responsible person is that franchisee or company-owned Center of Excellence in whose territory the Strategic/Global Account is headquartered. If you are the responsible person for a Strategic/Global Account, you must provide Carnegie Programs to that Strategic/Global Account in your Territory, as required under the Strategic/Global Accounts Contract. If you are not the responsible person for a Strategic/Global Account, you have the option to provide Carnegie Programs to that Strategic/Global Account in your Territory if required under the Strategic/Global Accounts Contract, and to cooperate with the responsible person in providing those Carnegie Programs. You have the option to comply with the terms (including, for example, the pricing terms) of any Strategic/Global Accounts contract requiring the provision of Carnegie Programs in your Territory. If you choose not to participate in a Strategic/Global Account, we will designate another Franchisee/COE to service that account in your Territory.

C. If you are the responsible person for a Strategic/Global Account, you will receive all revenues from Carnegie Programs you provide to that Strategic/Global Account in your Territory. You will also receive a percentage of the gross revenues (as set forth in the Operations Manual and Business Model) from the Carnegie Programs provided to that Strategic/Global Account outside of your Territory by another franchisee or a company-owned Center of Excellence. If you are not the responsible person for a Strategic/Global Account, then a percentage of the gross revenues (as set forth in the Operations Manual and Business Model) from the Carnegie Programs provided to that Strategic/Global Account by you in your Territory will be received by the responsible person for that Strategic/Global Account.

D. Dale Carnegie will perform all invoicing, revenue collecting and disbursements concerning all Strategic/Global Accounts contracts, except where local law prohibits this.

GUARANTEED MINIMUM PRODUCTION

During each period beginning on September 1st of each calendar year and ending on August 31st of each following calendar year (a "Fiscal Year"), you must achieve annual Gross Revenues equal to or more than the Guaranteed Minimum Production for your Territory for that particular Fiscal Year. The continuation of your territorial rights under the Franchise Agreement does not depend on your achievement of your Guaranteed Minimum Production or other contingency. If you fail to meet your Guaranteed Minimum Production in any Fiscal Year, however, Dale Carnegie may terminate your Franchise Agreement (see Item 17).

The Guaranteed Minimum Production and Territory Revenue Potential for your Territory in each Fiscal Year will be negotiated and agreed upon before you sign the Franchise Agreement, and stated in Appendix D to your Franchise Agreement. To arrive at your Guaranteed Minimum Production figure, Dale Carnegie will first determine the Territory Revenue Potential for your Territory, using relevant demographic data. The Territory Revenue Potential is the number of business entities (with at minimum of 25 employees) located in your Territory. You and Dale Carnegie will then agree on the percentage of the Territory Revenue Potential that your Business should ultimately achieve from the standpoint of market penetration. The desired market penetration figure is then converted into a Gross Revenue figure to be achieved. Typically, Dale Carnegie then divides that total Gross Revenue figure into a series of increasing percentage increments to be achieved in each successive Fiscal Year, which provides each franchisee a period of years to achieve the agreed-upon, overall Gross Revenue figure. Your Guaranteed Minimum Production for any particular Fiscal Year is the amount of Gross Revenues that you must achieve for that Fiscal Year. Production is defined as the actual collected revenue reported by you to Dale Carnegie. This reported revenue number is the number credited against your Guaranteed Minimum Production.

AREA DEVELOPMENT AGREEMENT

An Area Developer is granted a protected area within which to develop Carnegie Businesses. Dale Carnegie will not operate or franchise the operation of a Carnegie Business within this area, but your rights are limited to the same extent as described in the Franchise Agreement. The boundaries of the protected area will be specified in Exhibit B to the Area Development Agreement.

The exact number of Carnegie Businesses which Area Developer must open will be specified in the Area Development Agreement. The operation by Area Developer of each Carnegie Business is governed by the terms of the Franchise Agreement signed in connection with the opening and operation of each Carnegie Business. A termination of the Area Development Agreement will have no effect on the Franchise Agreement(s) previously entered into by Area Developer.

ITEM 13

TRADEMARKS

The principal Dale Carnegie commercial symbol which Dale Carnegie will license to you appears on the cover of this offering circular.

"Proprietary Marks" means Dale Carnegie's trademarks, service marks, trade names, logotypes, emblems, designs, labels, signs and symbols, copyrighted materials and other intellectual property.

You must follow Dale Carnegie's rules when you use its Proprietary Marks. You cannot use any of the Proprietary Marks as part of an entity name. You cannot use any of the Proprietary Marks with modifying words, designs or symbols except for those which Dale Carnegie licenses to you. Whether or not you are an entity Franchisee, you will conduct your Business under the assumed business name as indicated in Appendix E of the Franchise Agreement and take all acts necessary to obtain governmental approvals to do so (at your expense). You may not use the Proprietary Marks in connection with the sale of an unauthorized product or service or in a manner not authorized by Dale Carnegie. You may not use any names, marks or logotypes other than the Proprietary Marks without Dale Carnegie's written approval.

No agreements limit Dale Carnegie's rights to use or license the use of the Proprietary Marks in a manner material to your Business. There are presently no effective material determinations of the U.S. Patent and Trademark Office, any trademark trial and appeal board, the trademark administrator of any state or any court located in the United States relating to the Proprietary Marks. There is presently no material litigation in the United States relating to the Proprietary Marks. Dale Carnegie has filed all required affidavits with the U.S. Patent and Trademark Office, has timely renewed all Proprietary Marks and will continue to do so in a timely manner. Dale Carnegie is unaware of any superior rights or infringing uses which could materially affect your use of Dale Carnegie's principal Proprietary Marks in this state or the territory in which your Business is to be located.

If you learn of any claim against you on account of any alleged infringement, unfair competition or similar claims about the Proprietary Marks, you must promptly notify Dale Carnegie. Dale Carnegie will promptly take any action it considers necessary to defend you. Dale Carnegie must indemnify you for any action against you based solely on alleged infringement, unfair competition or similar claims about the Proprietary Marks. You may not settle or compromise any of these claims without Dale Carnegie's previous written consent. Dale Carnegie will have the right to defend, compromise and settle a claim at its sole cost and expense, using its own counsel. You must cooperate with Dale Carnegie in the defense. You irrevocably grant Dale Carnegie authority to defend or settle claims. You may participate at your own expense, but Dale Carnegie's decisions with regard to the settlement will be final. Dale Carnegie will have no obligation to defend or indemnify you if the claim against you relates to your use of the Proprietary Marks in violation of the Franchise Agreement or law.

If you learn that any third party which you believe is not authorized to use the Proprietary Marks is using the Proprietary Marks or any variant of the Proprietary Marks, you must promptly notify Dale Carnegie. Dale Carnegie will determine whether or not it wishes to take any action against the third party. You will have no right to make any demand or to prosecute any claim against the alleged infringer for the infringement.

You must comply with any instruction by Dale Carnegie to modify or discontinue use of any Mark or to adopt or use additional or substituted Proprietary Marks. If this happens, Dale Carnegie will reimburse you for your documented expenses of complying (for example, changing signs, stationery, etc.). You waive any other claim for changes and substitutions. Except for reimbursing your documented expenses of complying, Dale Carnegie will not be liable to you for any resulting expenses. You may not start or join any proceeding against Dale Carnegie for any resulting expenses.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

COPYRIGHTS

No patents are material to the franchise. You may use Dale Carnegie's copyrighted materials that are material to your business. The following chart sets forth the date and registration numbers (and renewal information) of the principal copyrights Dale Carnegie has obtained on certain books and video recordings. Dale Carnegie intends to continue to renew these copyrights.

Title	Country	Registration Date	Registration No.
Live Enthusiastically	US	7/29/65 (renewed on 4/26/93)	A779692 RE615-227
	Canada	7/30/65	Ser. 174739
	US	2/28/80	TX 425-006
	Canada	3/7/80	Ser. 300630
Lincoln the Unknown	US	2/12/32 (renewed on 2/10/59)	A 47572 R 230442
The Quick and Easy Way to Effective Speaking	US	1/22/62 (renewed on 3/2/90)	A 548283 RE 467-921
The Golden Book	Canada (no US copyright)	10/28/68	Ser. 200044 Reg. 60
Dale Carnegie's Scrapbook	US	1/14/60 (renewed on 2/24/87)	A 430371 RE 333-583
The Leader in You	US	5/2/94	TX 3-789-271
The Leader in You (video recording)	US	5/2/96	TX4-267-275 SR217-747
The Sales Advantage	US	1/29/03	TX5-640-912
The Sales Advantage (video recording)	US	1/10/03	TX5-656-025 SR321-801

In addition to the copyrights noted above, Dale Carnegie holds registered copyrights on substantially all materials relating to the Carnegie Programs, including participant manuals, trainer manuals, trainer training manuals, progress reports, trainer aids, coaching assistant guides, supplemental materials, advertisement and promotional materials, laboratory class assignments, audio and video recordings and booklets.

You must follow Dale Carnegie's rules when you use these copyrighted materials and you may not make copies of these materials. There is no agreement or known infringing use which materially limits Dale Carnegie's right to use or license these copyrighted items. There are presently no effective material determinations of the U.S. Copyright Office or any court or administrative agency located in the United States relating to the copyrights. There is presently no material litigation relating to the U.S. copyrights. Your obligations and those of Dale Carnegie to protect your rights to use Dale Carnegie's copyrights are the same as the obligations for Proprietary Marks described in Item 13 of this offering circular. No part of any registered Dale Carnegie work may be reproduced by any process, whether in part or in total, without the written permission of Dale Carnegie. Dale Carnegie is the sole owner of any material translated by a franchisee or independent translation company. Translation Agreement (Exhibit B) must be completed by the Translator and submitted to Dale Carnegie for approval prior to the

translation of any Dale Carnegie works.

CONFIDENTIAL INFORMATION

You may use Dale Carnegie's confidential information solely in connection with the operation of your Business and only as authorized by the Franchise Agreement. You may never divulge or use any of this information for the benefit of any other person or business. You may not copy any of Dale Carnegie's confidential information or give it to a third party except as Dale Carnegie authorizes. Certain persons affiliated with you must sign Dale Carnegie's Confidentiality/Non-Competition Agreement (Exhibit B to the Franchise Agreement).

Dale Carnegie's confidential information includes knowledge, trade secrets or know-how relating to the systems of operation, services, products, programs or practices of Dale Carnegie, the Carnegie System, or your Business; all Dale Carnegie proprietary materials; works copyrighted by Dale Carnegie; the Carnegie Programs; the Operations Manual and Business Model; all services, programs and products which now or in the future are or become a part of the Carnegie System; Dale Carnegie's and your computer network Web Sites (if any), and all information posted at any of those Web Sites; the Customer Lists; all information concerning Strategic/Global Accounts; and all information, knowledge, know-how, techniques and information which Dale Carnegie or its Affiliates or representatives designate as confidential.

You irrevocably license to Dale Carnegie all of the following if you develop them in connection with your Business: programs, services, products, equipment or programs; your means and manner of offering and conducting Carnegie Programs; business products or services (including computer software); intellectual property you create, adopt or purchase; and sales, advertising, marketing and promotional programs. Dale Carnegie will not be liable to you in any way because of this license.

You permanently license to Dale Carnegie your client, customer and participant lists, and lists of trainers and trainer candidates, for Dale Carnegie's use in marketing and to provide to a new franchisee if your Franchise Agreement expires or is terminated. You may only use these lists for your Business unless Dale Carnegie gives you prior written approval to use them for another reason. You must also sell these lists in a usable form to your transferee upon a transfer of the Franchise Agreement or your Business.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must devote your best efforts and adequate capital resources to the management and operation of your Business. You must devote the amount of your time necessary for the proper and effective operation of your Business. You must manage the day-to-day operation of your Business, actively promote and sell Carnegie Programs and use your primary and best efforts to cultivate, develop and expand the market for Carnegie Programs in the Territory.

If you are a business entity, you must appoint an individual "Franchisee Principal" to act as the entity's principal representative with Dale Carnegie. The Franchisee Principal must receive Dale Carnegie's prior written approval. If the Franchisee Principal should die, become disabled or terminate his relationship with you, then you must appoint a replacement Franchisee Principal who will also be subject to Dale Carnegie's approval.

There are no limitations on the on-site supervisors you may hire. On-site supervisors must attend and successfully complete the Initial Training Program. Certain persons affiliated with you must sign Dale Carnegie's Confidentiality/Non-Competition Agreement (Exhibit B to the Franchise Agreement) and keep Dale Carnegie's confidential information confidential (see Item 14). If you are a business entity, your Franchisee Principal and persons who have more than 10% ownership or voting interest must personally guarantee your obligations under the Franchise Agreement (see Exhibit D to the Franchise Agreement).

AREA DEVELOPMENT AGREEMENT

Area Developer must devote its best efforts, adequate capital resources and the amount of its time that is necessary, to comply with its obligations and to perform its duties under the Area Development Agreement, and to cooperate with Dale Carnegie in accomplishing the purposes of the Area Development Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Your Business may only offer, sell and conduct Carnegie Programs and related Materials. You have no obligation to offer and conduct all Carnegie Programs; however, if you are not qualified to conduct a Carnegie Program, or if qualified do not do so after notice from Dale Carnegie or a specific customer request to do so, then Dale Carnegie can offer and conduct that program in your Territory or authorize another person to do so. If you are a business entity, the entity must confine its activities solely to the operation of the Business.

You may not use the Dale Carnegie name or the Proprietary Marks for any other business. You may not conduct any business other than the business contemplated by the Franchise Agreement from your Center(s) or Training Facilities without Dale Carnegie's previous written consent.

Dale Carnegie may add to, delete or modify the Carnegie Programs or the content of Carnegie Programs, or related products and services. You must abide by any additions, deletions or modifications at your own cost. There are no limits on Dale Carnegie's right to make additions, deletions or modifications.

You must promote, offer, organize and conduct Carnegie Programs according to Dale Carnegie's then-current procedures, policies and standards in the Operations Manual and Business Model. Dale Carnegie may change its procedures, policies and standards and you must comply with any changes.

You must comply with all applicable laws, rules and regulations; file all necessary tax returns; pay all taxes; and, obtain and keep all necessary licenses, permits and governmental approvals. You must take prompt and effective action to correct any violation in a notice issued by any governmental or municipal authority concerning licenses and permits. You must apply for, receive and maintain in good standing accreditation from ACCET.

There are no restrictions as to whom you may promote, offer, organize or conduct Carnegie Programs, subject to the territorial limitations in the Franchise Agreement, the territorial rights reserved to Dale Carnegie, and the limitations under the Strategic/Global Accounts Program. See Item 12.

You must conduct Carnegie Programs in accordance with Dale Carnegie's maximum and minimum paid registration requirements. As of the date of this offering circular, those requirements are

as follows:1. For the Dale Carnegie Program, a minimum of 23 participants and a maximum of 44 participants.2. For the Sales Advantage Program, a minimum of 23 participants (no minimum if the program is given to a company) and a maximum of 55 participants.

3. For the Leadership Training for Managers Program, a minimum of 10 participants and a maximum of 36 participants.

4. For the World Class Customer Service Program, a minimum of 15 participants and a maximum of 44 participants.

5. For the High Performance Teams Program, a minimum of 15 participants and a maximum of 44 participants.

6. For the High Impact Presentations Program, a minimum of 8 participants and a maximum of 16 participants.

7. For the Leadership Advantage Program, a minimum of 10 participants and a maximum of 36 participants.

8. For the Generation Next Program, a minimum of 15 participants and a maximum of 35 participants.

9. For the New Start Program, a minimum of 15 participants and a maximum of 35 participants.

The Area Development Agreement does not contain any provision relating to the restrictions on goods and services offered by an Area Developer. However, certain restrictions will be contained in the Franchise Agreement signed by an Area Developer for Carnegie Businesses located within the development area.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AGREEMENT AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENT ATTACHED TO THIS OFFERING CIRCULAR.

	Provisions	Section in Franchise Agreement	Summary
a.	Term of the Franchise	Section 5.1; Article 3 of Software License Agreement	15 year initial term starts on the Effective Date of the Franchise Agreement (agreed upon in advance of your signing of the agreement).
b.	Renewal or extension of the term	Section 5.2	If you have complied with the conditions and procedures set forth in the Franchise Agreement and Operations Manual and Business Model, and if Dale Carnegie is franchising in this state, you can renew for one additional term of 10 years beginning on the date of expiration of the initial term. The terms of the Renewal Agreement may differ entirely from the Franchise Agreement, including the boundaries of the Territory, the royalties, Marketing Contributions and fees due, the Guaranteed Minimum Production and Territory Revenue Potential, and the Minimum Territory Development Expenditure.
c.	Requirements for you to renew or	Sections 5.3 and 5.4	(a) Sign Dale Carnegie's then-current franchise agreement; (b) You must not have failed to cure an outstanding notice of default under the

Provisions	Section in Franchise Agreement	Summary
extend		Franchise Agreement; (c) Your Centers and Training Facilities are in a condition consistent with then-current System facility standards; (d) You are current in your monetary obligations to Dale Carnegie (or its Affiliates); (e) You must not have received 2 or more valid Notices of Default within any continuous 6 month period occurring within 2 years of expiration of the initial term; (f) You must be able to continue the operation of your Business without interruption; (g) Sign a general release of all claims against Dale Carnegie, its Affiliates, etc. under the Franchise Agreement (but <u>not</u> releasing them from future claims under the Renewal Agreement); (h) Comply with then-current qualification and training requirements; Dale Carnegie may require you to attend and successfully complete its Refresher Training Program for experienced franchisees; (i) Strictly follow the procedures for renewal set forth in the Operating Manual; and (j) Pay the Renewal Fee. See Item 6.
d.	Termination by you	Sections 18.5 and 18.6 (a) If Dale Carnegie commits any intentional, repeated, or continuous breach of the Franchise Agreement which is not cured within 30 days after notice, the Franchise Agreement will terminate; and (b) Upon 1 year's notice to Dale Carnegie, you may voluntarily terminate the Franchise Agreement for any reason.
e.	Termination by Dale Carnegie without notice	18.1 You will be in default of this Agreement, and all rights granted in this Agreement will immediately and automatically terminate and revert to us without notice to you, if: you or your Business is adjudicated as bankrupt or insolvent; all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor; a petition in bankruptcy is filed by or against you or your Business and is not immediately contested and/or dismissed without 60 days from filing; a bill in equity or other proceeding for the appointment of a receiver or other custodian of you, your Business or assets of either is filed and consented to by you; a receiver or other custodian (permanent or temporary) of all or part of your assets or property is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under any state, federal or foreign law are instituted by or against you or your Business; you are dissolved; or, the real or personal property of your Business is sold after levy thereon by any governmental body.
f.	Termination by Dale Carnegie without cause	None
g.	Termination by Dale Carnegie with cause	Article 18; Article 10 of Software License Agreement Dale Carnegie can terminate only if you default. The Franchise Agreement describes defaults throughout – please read it carefully.
h.	"Cause" defined – defaults which can be cured	Sections 18.3, 18.4 and 18.5 You have 10 days to cure if you: (a) Violate the restrictions on the use of Confidential Information; (b) Permit any unauthorized person to conduct a Carnegie Course; (c) Fail to comply with recordation requirements and/or do not maintain required financial and other records; (d) Offer or sell any unapproved service, product or program; (e) Fail to purchase or maintain required insurance; or (f) Fail to comply with territorial marketing restrictions described in Article 3 of the Franchise Agreement. You have 3 months to cure if you fail to achieve your Guaranteed Minimum Production in any Fiscal Year. See Item 12. Except for defaults that terminate the Franchise Agreement automatically and those that permit Dale Carnegie to terminate the

	Provisions	Section in Franchise Agreement	Summary
i	"Cause" defined – defaults which cannot be cured	Sections 18.1 and 18.2; Article 10 of Software License Agreement	<p>Franchise Agreement (i) upon notice with no opportunity to cure, (ii) upon 10 days' notice with an opportunity to cure, or (iii) upon notice with 3 months to cure, you have 30 days to cure any other default under the Franchise Agreement.</p> <p>Automatic, without notice: bankruptcy, insolvency, receivership, dissolution, or levy. The provision in the Franchise Agreement which provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 <i>et seq.</i>).</p> <p>On notice to you: (a) You fail to open your Business or fail to obtain Dale Carnegie's approval for a Center Location and Training Facilities within 120 days after the Effective Date of the Franchise Agreement, or abandon your Business; (b) You omitted or misrepresented any material fact in the information you furnished Dale Carnegie in connection with its decision to enter into the Franchise Agreement; (c) You fail to pay any money you owe Dale Carnegie (or its Affiliates) within 10 days following notice that payments are overdue; (d) You are convicted of a felony, fraud, etc.; (e) You make an unauthorized transfer; (f) You fail to attend or successfully complete Dale Carnegie's Initial Training Program; (g) You conceal revenues, maintain false books/records, falsify information or defraud or make false representations to Dale Carnegie, or submit any false report to Dale Carnegie; (h) An audit shows that you understated Gross Revenues by 3% or more; (i) You refuse Dale Carnegie permission to inspect or to conduct an audit; (j) You repeatedly fail to comply with requirements of the Franchise Agreement or, after curing a default, commit the same default again within six months; (k) You make a willful misrepresentation or do not make a material disclosure required by any governmental authority regarding the Business; (l) You fail for 10 days after notice to comply with or challenge any law or regulation applicable to the Business; (m) You make unauthorized use of the Proprietary Marks that Dale Carnegie believes will harm the goodwill of the Proprietary Marks, the Carnegie System, or the Carnegie Programs; (n) You fail to cure any default materially impairing the goodwill associated with the Proprietary Marks, the Carnegie System, or the Carnegie Programs after 72 hours' notice to cure; or (o) You fail to comply with territorial marketing restrictions described in Article 3 of the Franchise Agreement two or more times during the Initial Term of the Franchise Agreement.</p>

	Provisions	Section in Franchise Agreement	Summary
j.	Your obligations on termination/non-renewal	Section 19.1; Article 10 of Software License Agreement	(a) Pay all sums owing to Dale Carnegie (or its Affiliates) and third parties; (b) Stop using the Proprietary Marks; (c) Cancel assumed name registration which contains DALE CARNEGIE, DALE CARNEGIE TRAINING, or any other Proprietary Marks; (d) Not publicize your previous relationship with Dale Carnegie, the Carnegie System, or the Carnegie Programs; (e) Deliver to Dale Carnegie all manuals (including the Operations Manual and Business Model), all computer software and database material, customer lists, advertising and promotional materials, records and files, signs and related items bearing the Proprietary Marks; (f) Sign agreements necessary for termination; (g) Stop using the telephone number you used in your Business; (h) Comply with covenants not to compete; (i) Abide by restrictions on the use of the Confidential Information; (j) Give Dale Carnegie all computer software, disks or tapes, printouts and other computer information containing any Confidential Information; (k) Assign to Dale Carnegie your interests in any Web Site(s) and in the domain name(s), home page address(es), and URL(s) related to those Web Site(s), and not establish any Web site using a domain name, home page address, and/or URL confusingly similar to the domain name(s), home page address(es), and/or URL(s) related to the Web Site(s) maintained in connection with the Business; and (l) Cooperate with Dale Carnegie and any successor franchisee.
k.	Assignment of contract by Dale Carnegie	Section 15.6; Section 8.01 of Software License Agreement	Dale Carnegie may assign its rights and/or delegate the performance of any of its duties under the Franchise Agreement if the assignee is financially responsible and economically capable of performing Dale Carnegie's obligations under the Franchise Agreement and expressly assumes and agrees to perform these obligations. Dale Carnegie may sell its assets, its Proprietary Marks or its System, go public, etc. (see Franchise Agreement).
l.	"Transfer" by you – definition	Section 15.1; Section 8.01 of Software License Agreement	Assignment, sale, transfer, or other conveyance of the Franchise Agreement, or any interest in the Franchise Agreement, in Franchisee, or in all or substantially all of the assets of the Business. Death or disability of an individual Franchisee or principal owner of an entity Franchisee is also a transfer.
m.	Dale Carnegie's approval of transfer by you	Section 15.2; Section 8.02 of Software License Agreement	No transfer without Dale Carnegie's consent.

	Provisions	Section in Franchise Agreement	Summary
n.	Conditions for Dale Carnegie's approval of transfer	Section 15.2; Section 8.02 of Software License Agreement	(a) You must comply with Dale Carnegie's right of first refusal; (b) You must sell your customer and Trainer lists to the transferee; (c) Transferee must demonstrate the qualifications, ethics, economic resources, etc. necessary to conduct the Business and to fulfill obligations to you; (d) Transferee and others attend and successfully complete Initial Training Program and other required training, at transferee's expense; (e) You must have cured any defaults and satisfied all monetary and other obligations to Dale Carnegie and its Affiliates; (f) Transferee must either (a) assume the Franchise Agreement with a modified initial term of either 5 years or the then-unexpired portion of the initial term, whichever is less; or (b) sign Dale Carnegie's then-current franchise agreement; (g) If the transfer results in the transferee owning 10% or more of an entity franchisee, the transferee must sign a Guarantee; (h) You must sign a General Release; (i) Transferee must pay a Transfer Fee of \$10,000 if it assumes the Franchise Agreement, or \$35,000 if it signs the then-current franchise agreement. However, if a controlling interest is being transferred and transferee already holds an ownership interest in Franchisee: (a) of less than 10%, then Transfer Fee will be \$35,000; or (b) equal to or greater than 10%, then Transfer Fee will be \$10,000. In any event, the transferee will pay only one Transfer Fee. ; (j) If transferee is an entity, there are various requirements, including guarantees by owners; (k) You submit to Dale Carnegie at least 60 days before the proposed transfer a copy of the proposed contract of transfer and any additional requested information; (l) You upgrade the Center(s) and Training Facilities so they are in a condition acceptable to Dale Carnegie; (m) You remain liable for all Franchise Agreement obligations before the date of the transfer, and sign documents required to demonstrate this liability; (n) You comply with covenant not to compete (see Item 17(r), below); (o) If required by Dale Carnegie, all other agreements between Dale Carnegie and you must be transferred to the same transferee; and (p) Dale Carnegie's right to receive from the transferee all payments required under the Franchise Agreement (if assigned to the transferee) or under any new Franchise Agreement signed by the transferee will be superior to your right to receive payments from the transferee in connection with the transfer, and you sign documents required to evidence your agreement.
o.	Dale Carnegie's right of first refusal to purchase your business	Section 15.3	Dale Carnegie can match any offer for a proposed transfer. Our right of first refusal only applies if the transfer would have the effect of transferring the Franchise Agreement, a controlling interest in an entity Franchisee, or substantially all of the assets of the Business.
p.	Dale Carnegie's option to purchase your business	None	
q.	Your death or disability	Section 15.1	Your death or incapacity is a transfer, and your executor, heir or legal representative (or the entity franchisee) must apply within 60 days for Dale Carnegie's consent to a transfer and satisfy all conditions applicable to a transfer.
r.	Non-competition covenants during the term of the franchise	Section 14.1	No involvement in competing businesses anywhere.

	Provisions	Section in Franchise Agreement	Summary
s.	Non-competition covenants after the franchise is terminated or expires	Section 14.2	No competing business for 2 years within your Territory, within 50 miles of the perimeter of your Territory, or within 50 miles of the perimeter of any company-owned or franchised Carnegie Business territory.
t.	Modification of the agreement	Article 23; Section 13.02 of Software License Agreement	No oral modifications generally, but Dale Carnegie may change the Operations Manual and Business Model. Any Operations Manual and Business Model change will not materially change the terms of the Franchise Agreement.
u.	Integration/merger clause	Article 23; Article 13.02 of Software License Agreement	Only the terms of the Franchise Agreement and all ancillary agreements signed with it are enforceable (subject to state law). Any other promises may not be enforceable.
v.	Dispute resolution by arbitration or mediation	None	
w.	Choice of forum	Section 26.4; Article 17.02 of Software License Agreement	Litigation must be in either federal (if jurisdiction exists) or state court in the Southern or Eastern Districts of New York.
x.	Choice of law	Section 26.3; Article 17.01 of Software License Agreement	New York law applies.

THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE AREA DEVELOPMENT AGREEMENT AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENT ATTACHED TO THIS OFFERING CIRCULAR.

	Provisions	Section in Area Development Agreement	Summary
a.	Term	Section 3.1	Term starts on the Effective Date of the Area Development Agreement (agreed upon in advance of your signing) and ends on the actual or scheduled date of signing the last Franchise Agreement you have the right and obligation to sign.
b.	Renewal or extension of the term	None	
c.	Requirements for you to renew or extend	None	
d.	Termination by Dale Carnegie without notice	14.1	You will be in default of this Agreement, and all rights granted in this Agreement will immediately and automatically terminate and revert to us without notice to you, if: you or your Business is adjudicated as bankrupt or insolvent; all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor; a petition in bankruptcy is filed by or against you or your Business and is not immediately contested and/or dismissed without 60 days from filing; a bill in equity or other proceeding for the appointment of a receiver or other custodian of you, your Business or assets of either is filed and

	Provisions	Section in Area Development Agreement	Summary
			consented to by you; a receiver or other custodian (permanent or temporary) of all or part of your assets or property is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under any state, federal or foreign law are instituted by or against you or your Business; you are dissolved; or, the real or personal property of your Business is sold after levy thereon by any governmental body.
e.	Termination by you	Section 145	If Dale Carnegie commits any intentional, repeated or continuous breach of the Area Development Agreement which is not cured within 30 days after receipt of notice, the Area Development Agreement will terminate.
f.	Termination by Dale Carnegie without cause	None	
g.	Termination by Dale Carnegie with cause	Article 14	Dale Carnegie can terminate only if you default. The Area Development Agreement describes defaults throughout – please read it carefully.
h.	“Cause” defined – defaults which can be cured	Sections 14.4 and 14.5	You have 10 days to cure if you: (a) Fail to sign any of the Franchise Agreements on or before the dates set forth on the Development Schedule; (b) Fail to open any of the Businesses by the dates set forth on the Development Schedule; (c) Violate the restrictions on the use of Confidential Information. Except for defaults that terminate the Area Development Agreement automatically and those that permit Dale Carnegie to terminate the Area Development Agreement (i) upon notice with no opportunity to cure, or (ii) upon 10 days’ notice with an opportunity to cure, you have 30 days to cure any other default under the Area Development Agreement.
i.	“Cause” defined – defaults which cannot be cured	Sections 14.2 and 14.3	Automatic, without notice: bankruptcy, insolvency, receivership, dissolution, or levy. The provision in the Area Development Agreement which provides for termination upon bankruptcy of the Area Developer may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.). On notice to you: (a) You abandon the Area Development Agreement; (b) You omitted or misrepresented any material fact in the information you furnished Dale Carnegie in connection with its decision to enter into the Area Development Agreement; (c) You are convicted of a felony, fraud, etc.; (d) You make an unauthorized transfer; (e) Any Franchise Agreement is terminated for any reason; (f) You repeatedly fail to comply with requirements of the Area Development Agreement or, after curing a default, commit the same default again within six months; (g) You make a willful misrepresentation or do not make a material disclosure required by any governmental authority regarding any matter involving your obligations under the Area Development Agreement; (h) You fail for 10 days after notice to comply with or challenge any law or regulation applicable to the performance of your obligations under the Area Development Agreement; (i) You make unauthorized use of the Proprietary Marks that Dale Carnegie believes will harm the goodwill of the Proprietary Marks, the Carnegie System, or the Carnegie Programs; or (j) You fail to cure any default materially impairing the goodwill associated with the Proprietary Marks, the Carnegie System, or the Carnegie Programs after 72 hours’ notice to cure.
j.	Your obligations on termination/expiration	Article 15	(a) Pay all sums owing to Dale Carnegie (or its Affiliates) and third parties; (b) Not operate or do business in any manner which would give the public the impression you are operating a Carnegie Business

	Provisions	Section in Area Development Agreement	Summary
			(except as required for use under an effective Franchise Agreement); (c) Not publicize your previous relationship with Dale Carnegie, the Carnegie System, or the Carnegie Programs (except in a resume for obtaining employment); (d) Deliver to Dale Carnegie all manuals (including the Operations Manual and Business Model), all computer software and database material, customer lists, advertising and promotional materials, records and files, signs and related items which bear the Proprietary Marks (except as required for use under an effective Franchise Agreement); (e) Sign agreements necessary for termination; (f) Stop using the telephone number you used in your Business (except as required for use under an effective Franchise Agreement); (g) Comply with covenants not to compete; (h) Abide by restrictions on the use of Confidential Information (except as required for use under an effective Franchise Agreement); (i) Give Dale Carnegie all computer software, disks or tapes, printouts and other computer information containing any Confidential Information (except as required for use under an effective Franchise Agreement); (j) Assign to Dale Carnegie your interests in any Web Site(s) and in the domain name(s), home page address(es), and URL(s) related to those Web Site(s), and not establish any Web site using a domain name, home page address, and/or URL confusingly similar to the domain name(s), home page address(es), and/or URL(s) related to the Web Site(s) maintained in connection with the business contemplated by the Area Development Agreement; and (k) Cooperate with Dale Carnegie and any successor area developer.
k.	Assignment of contract by Dale Carnegie	Section 11.6	Dale Carnegie may assign its rights and/or delegate the performance of any of its duties under the Area Development Agreement if the assignee is financially responsible and economically capable of performing Dale Carnegie's obligations under the Area Development Agreement and expressly assumes and agrees to perform these obligations. Dale Carnegie may sell its assets, its Proprietary Marks or its System, go public, etc. (see Area Development Agreement).
l.	"Transfer" by you – definition	Section 11.1	Assignment, sale, transfer, or other conveyance of the Area Development Agreement, or any interest in the Area Development Agreement, in Area Developer, or in all or substantially all of the assets of the Businesses. Death or disability of an individual Area Developer or principal owner of an entity Area Developer is also a transfer.
m.	Dale Carnegie's approval of transfer by you	Section 11.2	No transfer without Dale Carnegie's consent.
n.	Conditions for Dale Carnegie's approval of transfer	Section 11.2	(a) You comply with Dale Carnegie's right of first refusal; (b) Transferee must demonstrate the qualifications, ethics, economic resources, etc. necessary to conduct the Business, and to fulfill obligations to you; (c) Transferee and others must attend and successfully complete any required training; (d) You must have cured any existing defaults and satisfied all accrued monetary and other obligations to Dale Carnegie and its Affiliates; (e) Transferee must assume the Area Development Agreement; (f) If the transfer results in the transferee owning 10% or more of an entity Area Developer, transferee must sign a Guarantee; (g) You sign a General Release; (h) If controlling interest is transferred, you pay Dale Carnegie a transfer fee of \$10,000.; (i) If transferee is an entity, there are various requirements, including guarantees by owners; (j) You submit to Dale

	Provisions	Section in Area Development Agreement	Summary
			Carnegie at least 60 days before the proposed transfer a copy of the proposed contract of transfer and any additional requested information; (k) You remain liable for all Area Development Agreement obligations before the date of the transfer, and sign documents required to demonstrate this liability; (l) You comply with covenant not to compete (see Item 17(r), below); and (m) If required by Dale Carnegie, all other agreements between Dale Carnegie and you must be transferred to the same transferee.
o.	Dale Carnegie's right of first refusal to purchase your business	Section 11.4	Dale Carnegie can match any offer for a proposed transfer. Our right of first refusal only applies if the transfer would have the effect of transferring the Area Development Agreement, a controlling interest in an entity Area Developer, or substantially all of the assets of the Businesses.
p.	Dale Carnegie's option to purchase your business	None	
q.	Your death or disability	Section 11.1	Your death or incapacity is a transfer, and your executor, heir or legal representative (or the entity Franchisee) must apply within 60 days for Dale Carnegie's consent to a transfer and satisfy all conditions applicable to a transfer.
r.	Non-competition covenants during the term	Section 9.1	No involvement in competing businesses anywhere.
s.	Non-competition covenants after the agreement is terminated or expires	Section 9.2	No competing business for 2 years within your Development Territory, within 50 miles of the perimeter of your Development Territory, or within 50 miles of the perimeter of any company-owned or franchised Carnegie Business development territory or franchise territory.
t.	Modification of the agreement	Article 21	No oral modifications.
u.	Integration/merger clause	Article 20	Only the terms of the Area Development Agreement, any Franchise Agreements entered into under the Area Development Agreement, and all ancillary agreements signed with them are enforceable (subject to state law). Any other promises may not be enforceable.
v.	Dispute resolution by arbitration or mediation	None	
w.	Choice of forum	Section 24.4	Litigation must be in either federal (if jurisdiction exists) or state court in the Southern or Eastern Districts of New York.
x.	Choice of law	Section 24.3	New York law applies.

These states have statutes which may supersede the Franchise Agreement in your relationship with Dale Carnegie including the areas of termination and renewal of your franchise: ARKANSAS [Stat. Section 70-807], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e et seq.], DELAWARE [Code, Tit. 6, Ch. 25, Sections 2551 et seq.], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [815 ILCS 705/19 AND 705/20], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Sections 523H.1-523H.17], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:10-1], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code 13.1-557 through 13.1-574], WASHINGTON [Code Section 19.100.180] and WISCONSIN [Stat. Section 135.03]. In addition, these and other states may have court decisions, which may supersede the Franchise Agreement in your relationship with Dale

Carnegie, including in the areas of termination and renewal of your franchise. See the state Addendum for your state, if any, for special state disclosures to the Franchise Agreement and offering circular.

ITEM 18

PUBLIC FIGURES

Dale Carnegie does not use any public figure to promote its franchises.

ITEM 19

EARNINGS CLAIMS

DALE CARNEGIE DOES NOT FURNISH OR AUTHORIZE ITS SALESPERSONS TO FURNISH ANY ORAL OR WRITTEN INFORMATION CONCERNING THE ACTUAL OR POTENTIAL SALES, COSTS, INCOME OR PROFITS OF A DALE CARNEGIE FRANCHISE. ACTUAL RESULTS VARY FROM UNIT TO UNIT AND DALE CARNEGIE CANNOT ESTIMATE THE RESULTS OF ANY PARTICULAR DALE CARNEGIE FRANCHISE.

ITEM 20

LIST OF OUTLETS

UNITED STATES
FRANCHISED BUSINESS STATUS SUMMARY
FOR FISCAL YEARS ENDED AUGUST 2004 / 2005 / 2006⁽¹⁾

STATE	TRANSFERS	CANCELLED OR TERMINATED	NOT RENEWED	REACQUIRED BY DALE CARNEGIE	LEFT THE SYSTEM/ OTHER	TOTAL FROM LEFT COLUMNS ⁽²⁾	FRANCHISED BUSINESSES OPERATING AT YEAR END
Alabama	0/1/0					0/1/0	2/2/2
Alaska							1/1/1
Arizona							2/2/2
Arkansas							1/1/1
California	1/0/1	1/0/1		0/0/1		2/0/2	7/8/7
Colorado	1/0/0						2/2/2
Connecticut	1/0/0					1/0/0	2/2/2
D.C.							1/1/1
Delaware							1/1/1
Florida	0/1/0					0/1/0	6/6/6
Georgia							4/4/4
Hawaii							1/1/1
Idaho							1/1/1
Illinois					0/1/0		5/4/4
Indiana	1/0/0					1/0/0	6/6/5
Iowa							2/2/2
Kansas	1/0/0			1/0/0		2/0/0	2/2/2
Kentucky	1/0/0					1/0/0	4/4/4
Louisiana							2/2/2

UNITED STATES
FRANCHISED BUSINESS STATUS SUMMARY
FOR FISCAL YEARS ENDED AUGUST 2004 / 2005 / 2006⁽¹⁾

STATE	TRANSFERS	CANCELLED OR TERMINATED	NOT RENEWED	REACQUIRED BY DALE CARNEGIE	LEFT THE SYSTEM/ OTHER	TOTAL FROM LEFT COLUMNS ⁽²⁾	FRANCHISED BUSINESSES OPERATING AT YEAR END
Maine							1/1/1
Maryland							2/2/2
Massachusetts	0/0/0					0/0/0	2/2/2
Michigan	0/0/0					0/0/0	3/3/3
Minnesota	1/0/0					1/0/0	1/2/2
Mississippi	0/2/0					0/2/0	3/3/3
Missouri				0/1/0		0/1/0	5/4/4
Montana							1/1/1
Nebraska				1/0/0		1/0/0	2/2/2
Nevada	0/0/0					0/0/0	1/1/1
New Hampshire	0/0/0					0/0/0	2/2/2
New Jersey							3/3/3
New Mexico							1/1/1
New York							5/5/5
N. Carolina							1/1/1
North Dakota	1/0/0					1/0/0	1/1/1
Ohio	4/0/0					4/0/0	6/6/6
Oklahoma				0/1/0		0/1/0	3/3/3
Oregon							1/1/1
Pennsylvania	1/0					1/0/0	4/4/3
Rhode Island	0/0/0					0/0/0	1/1/1
S. Carolina							1/1/1
South Dakota							1/1/1
Tennessee							2/2/2
Texas	2/0/0				1/0/0	3/0/0	7/7/7
Utah							1/1/1
Vermont							1/1/1
Virginia	1/0/0					1/0/0	5/5/5
Washington							1/1/1
West Virginia	2/0/0					2/0/0	5/5/5
Wisconsin	1/0/0					1/0/0	4/4/4
Wyoming	1/0/0					1/0	3/3/3
Total:	20/4/1	1/0/1	0/0/0	2/2/1	1/1/0	23/6/6	132/130/127

1) Note: Each fiscal year ended on August 31 of that year.

2) The numbers in the "Total From Left Columns" column may exceed the number of franchised Businesses affected because several events may have affected the same Business.

INTERNATIONAL
FRANCHISED BUSINESS STATUS SUMMARY
FOR FISCAL YEARS ENDED AUGUST 2004 / 2005 / 2006⁽¹⁾

COUNTRY	TRANSFERS	CANCELLED OR TERMINATED	NOT RENEWED	REACQUIRED BY DALE CARNEGIE	LEFT THE SYSTEM/ OTHER	TOTAL FROM LEFT COLUMNS ⁽²⁾	FRANCHISED BUSINESSES OPERATING AT YEAR END
Antigua							1/1/1
Argentina							1/1/1
Australia		0/0/0				0/0/0	4/4/5
Austria			0/1/0	0/1/0		0/2/0	1/1/1
Barbados							1/1/1
Belgium		0/0/0				0/0/0	1/1/1
Brazil	0/1					0/1/0	5/8/10
Brunei	1/0/0					1/0/0	1/1/1
Cameroon							0/0/0
Canada	1/0/0					1/0/0	5/5/5
Channel Islands							1/1/1
Chile							1/1/1
China							3/3/3
Colombia		0/1/0		0/1/0			1/0/0
Costa Rica							1/1/1
Cyprus							1/1/1
Czech Republic		0/1/0		0/1/0			1/0/0
Denmark		1/0/0				1/0/0	0/0/1
Dominica							1/1/1
Dominican Rep.							1/1/1
Ecuador							1/1/1
Egypt							1/0/1
El Salvador							0/1/1
England	1/0/0			0/0/1	0/0/0	1/0/1	3/3/3
Estonia		1/0/0			1/0/0		0/0/0
Finland		1/0/0			1/0/0	0/0/0	0/0/0
France							1/1/1
Gabon							0/0/0
Germany	1/0/0					1/0/0	2/1/1
Greece		0/0/1				0/1/1	1/1/1
Grenada							1/1/1
Guam							1/1/1
Guatemala							1/1/1
Guyana							1/1/1
Honduras							1/1/1
Hong Kong	0/0/0					0/0/0	1/1/1
Hungary							1/1/1
Iceland							1/1/1
India		0/0/0				0/0/0	1/1/1
Indonesia							1/1/1
Ireland	0/0/0					0/0/0	1/1/1
Israel							1/1/1

INTERNATIONAL
FRANCHISED BUSINESS STATUS SUMMARY
FOR FISCAL YEARS ENDED AUGUST 2004 / 2005 / 2006⁽¹⁾

COUNTRY	TRANSFERS	CANCELLED OR TERMINATED	NOT RENEWED	REACQUIRED BY DALE CARNEGIE	LEFT THE SYSTEM/ OTHER	TOTAL FROM LEFT COLUMNS ⁽²⁾	FRANCHISED BUSINESSES OPERATING AT YEAR END
Italy		0/0/0				0/0/0	1/1/1
Japan							1/1/1
Kenya		0/1/0		0/1/0		0/2/0	1/0/0
Korea							1/1/1
Lebanon							1/1/1
Luxembourg		1/0/0			1/0/0		0/1/1
Macau							1/1/1
Malaysia							1/1/1
Mauritius	0/1/0					0/1/0	0/1/1
Mexico	0/1/0		1/0/0		1/1/0	2/1/0	6/6/5
Montserrat							1/1/1
Morocco							1/1/1
Namibia		0/0/1				0/0/1	1/1/0
Netherlands		1/0/0				1/0/0	0/1/1
New Zealand							1/1/1
Northern Ireland	0/0/0					0/0/0	1/1/1
Norway	0/0/0	1/0/0				0/0/0	0/1/1
Panama							1/1/1
Paraguay							1/1/1
Peru							0/0/0
Philippines	1/0/0					1/0/0	1/1/1
Poland		0/0/0				0/0/0	0/0/0
Portugal					0/0/0	0/0/0	0/0/0
Puerto Rico							0/1/1
Scotland							1/1/1
Singapore					0/0/1	0/0/1	1/1/1
Slovakia		0/0/1		0/0/1		0/0/2	1/1/0
Slovenia		0/0/1		0/0/1		0/0/2	1/1/0
South Africa							2/2/2
Spain							1/1/1
St. Kitts							1/1/1
St. Lucia							1/1/1
St. Maarten							1/1/1
St. Vincent							1/1/1
Surinam							1/1/1
Sweden		1/0/0				1/0/0	0/1/1
Switzerland							1/1/1
Taiwan							1/1/1
Thailand							1/1/1
Trinidad/Tobago							1/1/1
Turkey							0/0/0
Uruguay		1/0/0					0/0/0

INTERNATIONAL
FRANCHISED BUSINESS STATUS SUMMARY
FOR FISCAL YEARS ENDED AUGUST 2004 / 2005 / 2006⁽¹⁾

COUNTRY	TRANSFERS	CANCELLED OR TERMINATED	NOT RENEWED	REACQUIRED BY DALE CARNEGIE	LEFT THE SYSTEM/ OTHER	TOTAL FROM LEFT COLUMNS ⁽²⁾	FRANCHISED BUSINESSES OPERATING AT YEAR END
Venezuela							1/1/1
Wales							1/1/1
Total:	5/3/0	8/3/4	1/1/0	0/4/3	4/1/1	10/6/9	91/97/98

1) Note: Each fiscal year ended on August 31 of that year.

2) The numbers in the "Total From Left Columns" column may exceed the number of franchised Businesses affected because several events may have affected the same Business.

STATUS OF COMPANY-OWNED CENTERS OF EXCELLENCE
FOR FISCAL YEARS ENDED AUGUST 2004 / 2005 / 6⁽¹⁾

STATE	CENTERS CLOSED DURING YEAR	CENTERS OPENED DURING YEAR	TOTAL CENTERS OPERATING AT YEAR END
California	0/0/0	0/0/0	1/1/0
Colorado	0/0/0	0/0/0	0/0/0
Georgia	0/0/0	0/0/0	0/0/0
New York	0/0/0	0/0/0	2/2/2
Total:	0/0/0	0/0/0	3/3/3

1) Note: All numbers are as of August 31 for each year.

**PROJECTED OPENINGS
AS OF AUGUST 31, 2007**

LOCATION	PROJECTED NEW COMPANY- OWNED CENTERS OF EXCELLENCE IN CURRENT FISCAL YEAR	PROJECTED NEW FRANCHISED BUSINESSES IN CURRENT FISCAL YEAR
Guangdong, China	0	1
Vietnam	0	1
Poland	0	1
Tokyo, Japan	0	1
Czech Republic	0	1
Hungary	0	1
Total:	0	6

Exhibit C to this offering circular contains a listing of all operational franchisees as of the date of this offering circular.

As of August 31, 2006 and as of the date of this offering circular, there were no franchisees who had signed a Franchise Agreement with Dale Carnegie but who had not yet began operations.

The following is a list of the names and last known home addresses and telephone numbers of each franchisee who has had his or her Franchise Agreement and/or Sponsor's License Agreement terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement and/or Sponsor's License Agreement between September 1, 2005 and August 31, 2006, or who has not communicated with Dale Carnegie within 10 weeks of the date of this offering circular. If a franchisee listed below had a Territory encompassing territory in more than one state or country, each of those states or countries is indicated.

NAME	HOME ADDRESS	TELEPHONE NUMBER
Louis Burlamaqui	Rua Guajajaras 880, Sala 901 Belo Horizonte, Minas Gerais Brazil	011 55 31 3271 0171
Steven Hanes	14181 Williamsburg Dr. Carmel, IN 46033	317-509-8477
Leonardo Peklar	Dunajska 128A Ljubljana 1000, Slovenia	011 386 1530-8600
Jean Chen	137 Cecil St. Aviva Building Singapore 069537	011 65 220-3836
John Moser	Cahaba Park Circle Birmingham, AL 35242	205-995-5059
Gabor Kiss	Interlead Consulting KFT Floa u.8/1 H.1037 Budapest, Hungary	011 36 1 250-8030
Stamos Triantafillou	P.O. Box 76163 GR 17110 NEA Smirni, Greece	011 30 1931-7602
Ed C. Snow	304 Pendleton Way Oakland, CA 94621	510-635-8598

ITEM 21

FINANCIAL STATEMENTS

ITEM 22

Exhibit G to this offering circular contains Dale Carnegie's audited financial statements as of August 31, 2006; August 31, 2005; and August 31, 2004.

CONTRACTS

Exhibit A to this offering circular is Dale Carnegie's standard form of Franchise Agreement for franchisees located in the United States.

Exhibit H to this offering circular is the standard form of Area Development Agreement.

ITEM 23

RECEIPT

Exhibit J to this offering circular is a detachable receipt.

EXHIBITS

<u>Exhibit</u>	<u>Description</u>
Exhibit A	Franchise Agreement
Exhibit B	Translation Agreement
Exhibit C	Fees of the Accrediting Council for Continuing Education and Training
Exhibit D	List of Franchisees
Exhibit E	State Administrators
Exhibit F	Agent for Service of Process
Exhibit G	Financial Statements
Exhibit H	Area Development Agreement
Exhibit I	New York Addendum
Exhibit J	Receipt