

ITEM 1
THE FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

The Franchisor

The franchisor is Liquid Capital of America Corp., referred to in this Offering Circular as “we,” “us,” or “our”. We refer to the person interested in buying the franchise as “you” or “your”. If you are a corporation, partnership, limited liability company, or other entity, certain provisions of the Franchise Agreement will apply to your owners. These are addressed in this Offering Circular where appropriate.

We were incorporated as a Delaware corporation on June 4, 2004. Our principal business address in the U.S. is 1515 Heritage Drive, Suite 214, McKinney, TX 75069. We do business under the name “Liquid Capital”. Our agents for service of process in the states requiring franchise registration are listed in Attachment B.

We sell franchises for businesses that offer factoring and other financial services under the service mark and trade name “Liquid Capital” (“Liquid Capital Businesses”). We do not operate and have never operated a Liquid Capital Business, but we may do so in the future.

We began to offer franchises December 31, 2004. We are not engaged in any other businesses and have never offered franchises in any other line of business.

Our parent, Liquid Capital Corp., an Ontario corporation (“LCC”), has offered franchises in Canada for factoring businesses operating under the trademark “Liquid Capital” since November 1999. LCC has never, and does not now, operate a factoring business. LCC has never offered franchises in any other line of business. LCC maintains its principal business address at 5734 Yonge Street, Suite 400, Toronto, Ontario M2M 4E7.

Our affiliate, Liquid Capital Exchange, Inc. (“Exchange”) provides Back Office Support Services and Exchange Services to our franchisees. (See Item 8) Exchange shares our principal business address. Exchange has never operated businesses of the type being franchised and has never offered franchises in any line of business.

The Franchise

California franchisees should refer to the chart attached to the California Addendum found at the beginning of this Offering Circular for a graphic representation of the Liquid Capital program which is described in the following paragraphs.

A Liquid Capital franchise gives you the right to offer the factoring and other financial services provided by a Liquid Capital Business in a designated geographic area (the “Territory”). Franchisees operate under the Liquid Capital business system (the “System”) and Liquid Capital trademark, as well as other trade names, service marks, trademarks, logos, and commercial symbols we authorize (the “Marks”).

Factoring is currently the only financial service offered by Liquid Capital Businesses, although other financial services may be added in the future. Factoring is the purchase of a business client’s accounts receivable for immediate cash at a discount. There is typically a base “Discount Fee,” which is calculated as a percentage of the client’s accounts that are outstanding for a specified base time period.

Fees may also include an additional "Daily Fee," which is calculated as a percentage of the client's accounts that are outstanding for longer than the base time period.

Cash and other extensions of credit to the client are called "Advances". Advances are usually a percentage of the client's accounts being purchased. For example, if the accounts are \$1,000, a factor might advance \$800 (less fees in the amount of the Discount Fee) in cash against those accounts, with the remaining \$200 treated as a reserve.

The factor may purchase all or most of a client's accounts ("Full Factoring") or may purchase a single account or group of accounts ("Spot Factoring"). The factor performs various accounting duties and collects the accounts. As part of the Liquid Capital System, we have arranged for these ledgering, collection and other related services to be handled by the Exchange or by one or more approved service providers with which Exchange contracts (a "Service Provider"). Currently, the only approved service provider is Accord Financial, Inc. ("Accord" or a "Service Provider"). Liquid Capital franchisees may also use the Exchange to identify other approved persons (principally other Liquid Capital franchisees) to fund up to 80% of the Advances to a factoring client. (See Item 8)

In the Liquid Capital System, the Exchange signs an agreement (a "Purchase and Sale Agreement") with each approved factoring client who is identified and processed by a Liquid Capital franchisee. The Purchase and Sale Agreement establishes the terms of the factoring arrangement with that client. Liquid Capital franchisees are not parties to the Purchase and Sale Agreement. Instead, the Exchange and each franchisee who participates in the factoring arrangement (a "Participant") enter into a separate agreement that identifies each party's role in the arrangement. All Participants in a Full Factoring arrangement sign a Participation Agreement with Exchange. (See Exhibit C.) Participants in Spot Factoring arrangements enter into a Confirmation of Transaction with Exchange. (See Exhibit D.)

These agreements identify the "Participation Percentage" of each Participant who has agreed to fund Advances to a client. The Participation Percentage is each Participant's share of the total factoring arrangement. It represents the amount of total Advances to the client that the Participant has agreed to contribute and the amount of total fees from the client that the Participant is entitled to receive. In the Liquid Capital System, the minimum Participation Percentage that a Participant may have is 20% of the total factoring arrangement.

Advances to the client are made periodically under a Participation Agreement or Confirmation of Transaction. The amount of each Advance is based on a list of invoices or "schedule of accounts." The invoices listed on the schedule of accounts represent those of the client's accounts that the Participants will purchase under the Participation Agreement or Confirmation of Transaction. Each Participant funds a portion of the Advance that corresponds to the Participant's Participation Percentage.

Participants may fully fund their proportionate share of the Advance themselves (or through lenders other than Accord), or if a single Participant is funding 100% of the Advances, that Participant may finance it through Accord, if Accord determines that the Participant satisfies Accord's lending criteria. (See Item 10) Accord may provide financing for the lesser of (a) 75% of the Advances to factoring clients or (b) 56.25% of eligible accounts (those that are less than 90 days old and credit approved). (See Item 10) Alternatively, franchisees who participate in the factoring arrangement may secure financing from other sources if they first have the lending source sign a Financing Estoppel Agreement (as defined in the Franchise Agreement), in the form contained in the Manual.

All Participants pay the Exchange an Exchange Fee if the Exchange is asked to identify other possible Participants in a particular factoring transaction, and a Back Office Services Fee (for Full Factoring transactions or Spot Factoring transactions, as applicable) for the provision of credit, collection and administrative services provided by the Exchange, directly or through the Service Provider. The franchisee who identifies and initially processes the factoring client is called the "Originating Franchisee". The Originating Franchisee is paid an Originating Franchisee Fee by the other Participants in the factoring transaction. The franchisee who manages the on-going relationship with the client and the other Participants is called the "Managing Participant". Other Participants pay the Managing Participants a "Management Fee". (See Item 6)

You may also refer a factoring client to the Exchange. The Exchange will process the client and, if it determines that the client meets the Service Provider's criteria, will refer the Client to the Service Provider. If the Service Provider factors the client's accounts directly, it will pay a referral fee which you will receive after Exchange deducts a portion of the fee for its processing and other related services. (See Item 8)

The operation of factoring transactions in the Liquid Capital System is graphically illustrated in Item 19 of this Offering Circular.

Our franchise agreement is attached as Exhibit B to this Offering Circular (the "Franchise Agreement"). Under the Franchise Agreement, you will operate a Liquid Capital Business in the Territory described in the Franchise Agreement. The Franchise Agreement gives you certain protections against the location of other Liquid Capital Businesses in your Territory. (See Item 12.)

Competition

Factoring is a financing alternative that can be offered to businesses in a wide range of product and service industries. Based on the experience of our affiliate, LCC, we believe that the factoring services offered by franchisees operating under the Liquid Capital System will be most attractive to small and mid-size business clients operating in the following industries: transportation, service, temporary and contract labor and companies selling to the retail trade. In offering factoring services to these business clients, you will compete with other factoring companies, some of which may be larger and have greater resources than you. You will also compete with other types of financing sources, including banks and other financial institutions. We believe that our marketing program and the initial training and on-going guidance provided by us and Exchange will help you to compete.

Industry-Specific Regulation

You must comply with all laws, rules and regulations governing the operation of the Liquid Capital Business. You must also comply with federal, state, and local laws applicable to businesses generally. Factoring generally is not regulated by federal, state or local laws, although there are some exceptions. *California applicants should refer to the California Addendum to this Offering Circular for information regarding registration as a lender and/or broker under California's Finance Lenders Law.*

The perfection of security interests in the collateral securing a client's obligations is regulated by state law, generally under state Uniform Commercial Codes. Under your and our agreements with Exchange, either Exchange or the Service Provider will handle the perfection of security interests in the collateral. In addition, if you raise funds from investors to make Advances, you must comply with all

applicable federal and state securities laws. You should consider all applicable laws and regulations when evaluating your purchase of a franchise.

ITEM 2 BUSINESS EXPERIENCE

Brian Birnbaum – President and Director

Mr. Birnbaum has served as our President and Director since our incorporation in June 2004. Mr. Birnbaum has held the position of Vice President for Exchange since its formation in September 2004. Since June 1999, he has also served as Vice President and Chief Operating Officer for LCC in Toronto, Ontario, where, among other duties, he has responsibility for factoring advisory and training programs.

Barnett Gordon – Vice President, Chief Financial Officer, Secretary and Director

Mr. Gordon (Certified General Accountant) has served as our Vice President, Chief Financial Officer, Secretary and Director since our incorporation in June 2004 and as Vice President, Secretary and Director for Exchange since its formation in September 2004. He also serves as Chief Financial Officer and Secretary for LCC, located in Toronto, Ontario, and has held this position since June 1999.

Darla Auchinachie – Vice President

Ms. Auchinachie has served as our Vice President since October 2004. From November 1998 to January 2003, Ms. Auchinachie served as Director of Training for Distinctive Solutions Corporation, a commercial finance software company specializing in factoring and asset based lending systems, located in San Luis Obispo, California. From February 2003 to June 2004, Ms. Auchinachie was Chief of Operations for Biz Capital, LLC, a factoring company located in Fort Collins, Colorado, and was between positions from July 2004 until October 2004. In 2004, Ms. Auchinachie also serves on the International Factoring Association's advisory board.

James Penny – Vice President

Mr. Penny joined us in September 2005 as our Director of Sales. Effective December 1, 2005, Mr. Penny became one of our Vice Presidents. From December 2002 until August 2005, Mr. Penny owned an Interface Financial Corp. franchise. During this period, Mr. Penny was promoted to Vice President of Interface Financial Corp., located in Irvine, California. From April 2001 until November 2002, Mr. Penny worked as a technology consultant, based in Sammamish, Washington. Mr. Penny also served as Vice President of Technology for ByByNow.com, a travel franchise company, from October 1999 until March 2001, located in Pompano Beach, Florida.

Fred Moss – Director

Mr. Moss (Chartered Accountant) has served as our Director since June 2004 and as a Director of Exchange since September 2004. Since October 1990, Mr. Moss has served as the President of Montcap Financial Corp., a recourse factoring company and asset based lender located in Montreal, Quebec, and a subsidiary of Accord Financial Corp. (TSE-ACD). Since May 2000, Mr. Moss has also served as Vice President of Accord Financial Corp., located in Canada.

We use lead referral services and franchise brokers in certain states. See Exhibit J for information regarding them. We compensate them for referring prospective franchisees to us only if the prospect buys a franchise from us.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Offering Circular.

California residents, see the California Addendum to this Offering Circular for additional disclosures required by California law.

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 FRANCHISE FEE

Initial Franchise Fee

The initial franchise fee for a single territory franchise is \$42,500. If you qualify for our multi-territory program, the initial franchise fee is \$112,500 for the first 3 territories and \$35,000 for each additional territory.

Under the multi-territory program, you must have a minimum net worth of \$1,000,000 and must purchase an initial package of 3 franchises. You must also employ at least 2 full-time employees by the third month of operation. We will train 5 of your employees for no additional fee. (See Item 11) Your minimum annual performance goals under the Franchise Agreement will take effect beginning in the third year of your operations. (See Item 12)

The initial franchise fee is paid when you sign the Franchise Agreement and is determined uniformly for all franchises of the same type. If we terminate your Franchise Agreement because your Controlling Principal fails to satisfactorily complete initial training and you do not cure within the applicable cure period, we will refund to you 75% of all money we have received from you, less our reasonable out-of-pocket costs and expenses.

**ITEM 6
OTHER FEES**

Fees⁽¹⁾	Amount	Due Date	Remarks
Continuing Royalty	8% of Gross Revenue. ⁽²⁾	Note 3.	
Back Office Services Fee (Full and Factoring)	The greater of (i) a percentage (not to exceed 0.75%) of the accounts represented by the invoices listed on a schedule of accounts or (ii) \$5.00 multiplied by the number of those invoices.	Note 3	Each Participant who signs a Participation Agreement or Confirmation of Transaction will pay to Exchange its share of this fee in proportion to its Participation Percentage (as shown in the Participation Agreement).
Back Office Services Fee (Spot Factoring)	For invoices that are less than \$60,000, the greater of (i) 0.50% of the invoice amount or (ii) \$100 per invoice. For invoices that are \$60,000 or more, \$300 plus 0.125% of the invoice amount over \$60,000.	Note 3	Each Participant who signs a Participation Agreement or Confirmation of Transaction will pay to Exchange its share of this fee in proportion to its Participation Percentage (as shown in the Confirmation of Transaction). There is an additional fee of 0.75% of the Account payable if you elect to take the credit guaranty from Accord.
Exchange Fee	Currently, 0.4% of the accounts represented by the invoices listed on schedule of accounts and processed through the Exchange	Note 3	In Funding Transactions involving more than one Participant, each Participant who signs a Participation Agreement or Confirmation of Transaction will pay to Exchange its share of this fee in proportion to its Participation Percentage (as shown in the Participation Agreement or Confirmation of Transaction, as applicable). These fees are processed by the Exchange directly or through an approved Service Provider.
Originating Franchisee Fee	Currently, 12% of the gross revenue earned by all Participants signing a Participation Agreement or Confirmation of Transaction other than the Originating Franchisee.	Note 3	Each Participant who signs a Participation Agreement or Confirmation of Transaction other than the Originating Franchisee will pay to the Originating Franchisee its share of this fee in proportion to its Participation Percentage (as shown in the Participation Agreement or Confirmation of Transaction, as applicable). These fees are processed by the Exchange directly or through an approved Service Provider.
Management Fee	Currently, 0.50% of the Accounts (as defined in the Franchise Agreement) represented by the schedule of accounts.	Note 3	Each Participant who signs a Participation Agreement or Confirmation of Transaction other than the Managing Participant will pay to the Managing Participant its share of this fee in proportion to its Participation Percentage (as shown in the Participation Agreement or Confirmation of Transaction, as applicable). These fees are processed by the Exchange directly or through an approved Service Provider.

Fees⁽¹⁾	Amount	Due Date	Remarks
Marketing Fund Contribution	\$500 per month.	1 st day of the month	The Fund (as defined in the Franchise Agreement) contribution can be increased on each anniversary of the date of the Franchise Agreement by no more than 10% of the amount charged in the most recent year. See Item 11.
Cooperative Advertising	Currently, none. If a cooperative is established, as required by the cooperative documents.	When invoiced	We may establish cooperatives to conduct local or regional promotions. Any associated costs are in addition to your Fund contributions.
Additional Training and Retraining	Currently, none.	When invoiced	We may require a fee for additional training or retraining but have no present plans to do so. You or any of your representatives that attend our initial Basic Operational Training Course (as defined in the Franchise Agreement) may repeat all or portions of our Basic Operational Training Course at no charge. You must pay wages, travel and living expenses of those attending additional training or retraining. See Item 11.
Training for Additional or Replacement Personnel	\$500/day per person	When invoiced	We will offer an initial Basic Operational Training Course to up to 3 of your representatives at no charge. After the original attendees have completed the initial Basic Operational Training Course, you must pay us a fee of \$500 a day to train any of your personnel or representatives that did not attend the initial Basic Operational Training Course. You must also pay wages, travel and living expenses of those attending training. See Item 11.
Transfer Fee	50% of our then-current initial franchise fee plus our reasonable expenses.	When invoiced	Not required if a Transfer does not effect a Change in Control (as defined in the Franchise Agreement) or if the Transfer is to one of your immediate family members or an immediate family member of one of your owners. An "immediate family member" is your spouse, your natural and adoptive parents, natural and adopted siblings, and natural and adopted children and their spouses.
Renewal Fee	50% of our then-current initial franchise fee.	On renewal	We will waive the renewal fee if, during the initial term, you purchase accounts with an aggregate face value that equals or exceeds 10 times the minimum volume (adjusted annually in conformance with the CPI).
Supplier Approval Fee	Our reasonable expenses.	When invoiced	Payable only if you ask us to approve an item or supplier not currently approved.

Fees⁽¹⁾	Amount	Due Date	Remarks
Audit Fee	Our expenses, including reasonable accounting and legal fees.	When invoiced.	Paid only if an audit (i) results from your failure to prepare, deliver or preserve required records or (ii) results in the discovery of a discrepancy in your reported Gross Revenues of (3%) or more.
Insurance Fee	Amount of all insurance payments we make on your behalf plus any associated out of pocket expenses.	1 st day of the month following the month in which we made the payment.	Payable only if you fail to maintain the required insurance, and we secure it for you. We have no obligation to obtain insurance for you.
Interim Management Fee	8% of Gross Revenues plus our out-of-pocket expenses.	When invoiced	We can manage your business after the death or permanent disability of your Controlling Principal or after you default under the Franchise Agreement or any Participation Agreement.
Short-term Loan Expenses	Interest (currently, the lesser of the maximum legal rate or 24 % per annum) and related transaction costs	When invoiced	Payable to Exchange if Exchange advances funds on your behalf to cure any shortfall in your Liquid Capital Remittance Account ("LCRA").
Interest	The lesser of 18% per year or the maximum lawful rate.	When invoiced.	Payable only if you fail to pay amounts due on time.
Insufficient Funds Charge	Prevailing rate.	On demand	Payable only if any electronic funds transfer is not honored.
Indemnification	Varies.	On demand.	You must hold us, Exchange and Service Provider harmless against third party claims relating to your Liquid Capital Business.
Enforcement Costs	Our cost, including legal fees, to enforce the Franchise Agreement.	On demand.	Payable only if you do not comply with the Franchise Agreement.

Notes:

(1) All fees and expenses in this Item 6 are non-refundable and, unless otherwise indicated in the preceding chart, are imposed uniformly by us and are payable to us. We may change the percentages paid as Back Office Services Fees (but percentage for the Back Office Services Fee for Full Factoring transactions will not exceed 0.75%), as the Exchange Fee, and as the Originating Franchisee Fee and Management Fee by changes to the Rules and Regulations, but you will know the amount of the current fees before you sign a Participation Agreement or Confirmation of Transaction. Changes in these fees will apply only to factoring transactions entered into after the change is made.

(2) Gross Revenue means the entire amount of all revenue earned (whether or not received) by you from any source (including each funding transaction, referral fees, and recharges) in connection with the Franchised Business in any form. No deductions will be allowed for uncollected or uncorrectable Accounts (as defined in the Franchise Agreement) and no allowances will be made for bad debts.

(3) Your Liquid Capital Remittance Account, or LCRA, is debited and credited upon each Advance to account for your portion of the total Advance, revenue you earn and fees you must pay. You will receive daily activity reports and monthly statements regarding the status of your LCRA.

ITEM 7 INITIAL INVESTMENT

The following chart is based on your purchase of a single franchise.

Cost or Expense	Amount Low – High	Method of Payment	When Due	To Whom Paid
Initial Franchise Fee ⁽¹⁾	\$42,500	Lump Sum	Execution of Franchise Agreement	Us
Office Supplies ⁽²⁾	\$500 to \$1,000	Lump Sum or Installments	As Invoiced	Suppliers
Lease ⁽³⁾	\$0 to \$2,000	As Arranged	As Invoiced	Landlord
Furniture, Fixtures, & Equipment ⁽⁴⁾	\$2,000 to \$12,000	As Arranged	As Invoiced	Suppliers
Signage ⁽⁵⁾	\$0 to \$2,000	As Arranged	As Invoiced	Suppliers
Computer Hardware & Software ⁽⁶⁾	\$4,650 to \$9,000	As Arranged	As Invoiced	Suppliers
Insurance ⁽⁷⁾	\$1,000 to \$1,500	As Arranged	As Invoiced	Insurance Broker
Initial Training ⁽⁸⁾	\$600 to \$2,600	As Arranged	As Invoiced	Employees and Suppliers
Professional Services ⁽⁹⁾	\$1,500 to \$5,000	As Arranged	As Invoiced	Attorney; Accountant
Additional Funds ⁽¹⁰⁾	\$2,100 to \$10,000			
Client Advances ⁽¹¹⁾	Note 11			
TOTAL⁽¹²⁾	\$54,850 to \$87,600			

Notes:

(1) See Item 5. If your Controlling Principal fails to satisfactorily complete initial training and you do not cure within the applicable cure period, we will refund 75% of all funds we have received from you, less our reasonable out-of-pocket costs and expenses. To our knowledge, none of the other costs listed above are refundable, although exact terms will be established by the suppliers of those goods and services.

(2) This estimate includes the cost of offices supplies, stationery, business card and similar products needed for the operation of your Liquid Capital Business for approximately the first 90 days of operations.

- (3) You may operate from your home or from other business premises. Initially, we anticipate that you will operate from your home or from an executive suite. The high end of the estimate includes the 1st month's rent and security deposit equal to 1 month's rent for an executive suite.
- (4) These amounts include the cost of the furniture, fixtures, equipment for 1 Liquid Capital Business.
- (5) You are not required to display any signage at your business location, but if you do, all signage must meet our specifications.
- (6) This amount includes the cost of computer hardware and software that you must use in the operation of your Liquid Capital Business. (See Item 11)
- (7) This amount represents an estimate of the annual insurance premiums for the insurance coverage described in the Franchise Agreement. Your cost of insurance may vary depending on the insurer, the location of your Liquid Capital Business, your claims history, and other factors.
- (8) We do not charge a fee for our Basic Operational Training Course. However, you must pay travel, lodging and related costs to attend our Training Course. We also require you to participate in a sales training course currently presented by a third party service provider. The estimated range is limited to your out-of-pocket costs to attend our Basic Operational Training Course. These costs will vary depending upon your selection of lodging and dining facilities, mode and distance of transportation. Wages for your personnel while in training are not included. (See Item 11)
- (9) This estimate is for the cost to establish an entity to hold the franchise and review the franchise documentation. The cost of professional services can vary widely.
- (10) You will need additional funds during the start-up phase of your business to pay employees, purchase supplies and pay other expenses. We estimate the start-up phase to be 3 months from the date you open for business. These amounts do not include any estimates for debt service. You must also pay the continuing royalty and other related fees described in Item 6 of this Offering Circular. These figures are estimates, and we cannot assure you that you will not have additional expenses. Your actual costs will depend on factors like your management skills, experience and business acumen. You should base your estimated start-up expenses on the anticipated costs in your market and consider whether you will need additional cash reserves.
- (11) Because of the highly variable nature of these amounts, we are unable to estimate the amount you will need to fund client Advances during the start-up phase described in Note (10).
- (12) We relied on LCC's experience in the Canadian market to compile these estimates. (See Item 1) You should review these figures carefully with your business advisor.

The following chart is based on your purchase of 3 franchises under our multi-territory program.

Cost or Expense	Amount Low – High	Method of Payment	When Due	To Whom Paid
Initial Franchise Fee ⁽¹⁾	\$112,500	Lump Sum	Execution of Franchise Agreement	Us
Office Supplies ⁽²⁾	\$500 to \$2,000	Lump Sum or Installments	As Invoiced	Suppliers
Lease ⁽³⁾	\$0 to \$4,000	As Arranged	As Invoiced	Landlord
Furniture, Fixtures, & Equipment ⁽⁴⁾	\$2,000 to \$12,000	As Arranged	As Invoiced	Suppliers
Signage ⁽⁵⁾	\$0 to \$2,000	As Arranged	As Invoiced	Suppliers
Computer Hardware & Software ⁽⁶⁾	\$7,600 to \$15,000	As Arranged	As Invoiced	Suppliers
Insurance ⁽⁷⁾	\$1,000 to \$1,500	As Arranged	As Invoiced	Insurance Broker
Initial Training ⁽⁸⁾	\$1,200 to \$7,200	As Arranged	As Invoiced	Employees and Suppliers
Professional Services ⁽⁹⁾	\$1,500 to \$5,000	As Arranged	As Invoiced	Attorney; Accountant
Additional Funds ⁽¹⁰⁾	\$2,100 to \$15,000			
Client Advances ⁽¹¹⁾	Note 11			
TOTAL ⁽¹²⁾	\$128,400 to \$176,200			

Notes:

(1) See Item 5 for a description of the initial franchise fee under our multi-territory program. If your Controlling Principal fails to satisfactorily complete initial training and you do not cure within the applicable cure period, we will refund 75% of all funds we have received from you, less our reasonable out-of-pocket costs and expenses. To our knowledge, none of the other costs listed above are refundable, although exact terms will be established by the suppliers of those goods and services.

(2) This estimate includes the cost of offices supplies, stationery, business card and similar products needed for the operation of your Liquid Capital Business for approximately the first 90 days of operations.

(3) You may operate from your home or from other business premises. Initially, we anticipate that you will operate from your home or from an executive suite. The high end of the estimate includes the 1st month's rent and security deposit equal to 1 month's rent for an executive suite.

(4) These amounts include the cost of the furniture, fixtures, equipment for your Liquid Capital Business.

(5) You are not required to display any signage at your business location, but if you do, all signage must meet our specifications.

(6) This amount includes the cost of computer hardware and software that you must use in the operation of your Liquid Capital Business. (See Item 11)

(7) This amount represents an estimate of the annual insurance premiums for the insurance coverage described in the Franchise Agreement. Your cost of insurance may vary depending on the insurer, the location of your Liquid Capital Business, your claims history, and other factors.

(8) We do not charge a fee for our Basic Operational Training Course. However, you must pay travel, lodging and related costs to attend our Training Course. We also require you to participate in a sales training course currently presented by a third party service provider. The estimated range is limited to your out-of-pocket costs to attend our Basic Operational Training Course. These costs will vary depending upon your selection of lodging and dining facilities, mode and distance of transportation. Wages for your personnel while in training are not included. (See Item 11)

(9) This estimate is for the cost to establish an entity to hold the franchises and review the franchise documentation. The cost of professional services can vary widely.

(10) You will need additional funds during the start-up phase of your business to pay employees, purchase supplies and pay other expenses. We estimate the start-up phase to be 3 months from the date you open for business. These amounts do not include any estimates for debt service. You must also pay the continuing royalty and other related fees described in Item 6 of this Offering Circular. These figures are estimates, and we cannot assure you that you will not have additional expenses. Your actual costs will depend on factors like your management skills, experience and business acumen. You should base your estimated start-up expenses on the anticipated costs in your market and consider whether you will need additional cash reserves.

(11) Because of the highly variable nature of these amounts, we are unable to estimate the amount you will need to fund client Advances during the start-up phase described in Note (10).

(12) We relied on LCC's experience in the Canadian market to compile these estimates. (See Item 1) You should review these figures carefully with your business advisor.

Unless otherwise stated above, these estimates are subject to increases based on changes in market conditions, our cost of providing services and future policy changes. At the present time, we have no plans to increase payments we control. Unless otherwise stated, the amounts described above are not refundable.

We do not offer any financing for your initial franchise fee or any portion of your initial investment. However, if Accord determines that you satisfy its lending criteria, you may finance through Accord the lesser of (a) 75% of your Advances to factoring clients or (b) 56.25% of eligible accounts (those that are less than 90 days old and credit approved). (See Item 10).

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You may use only the products, services, supplies, inventory, equipment, contracts and related forms, computer hardware and software, fixtures, furnishings, and signs that we have approved as meeting our specifications and standards for quality, design appearance, function and performance. We have the right to designate or approve suppliers of any of these items. We will give you a list of any approved or designated suppliers, and may periodically notify you of revisions to the list.

We and our affiliates may be designated or approved as suppliers, and in some cases may be the only designated or approved suppliers. We and our affiliates may receive revenue based on your required purchases, either from selling the items to you or from payments we receive from third party suppliers we designate or approve.

Purchases from Us, Our Affiliates, and Designated or Approved Third Party Suppliers. Currently, you have no obligation to purchase or lease any of the products or services used in establishing or operating your Liquid Capital Business from us, our affiliates, or designated or approved third party suppliers except as follows:

Back Office Support Services and Exchange Services. The Exchange and its approved subcontractor, Accord, are our only designated suppliers of Back Office Support Services and our only approved suppliers of Exchange Services, although we may approve other suppliers in the future. Back Office Support Services are those administrative and other services that support the relationships of Liquid Capital franchisees with their clients and the interests of Liquid Capital franchisees under the Participation Agreements and Confirmations of Transaction. They include the verification, servicing, administration and collection of client accounts under the purchase and sale agreements between clients and the Exchange and the administration of and accounting for Advances, fee receipts, and payments under all Participation Agreements and Confirmations of Transaction. The Franchise Agreement and the Rules and Regulations include a detailed listing of Back Office Support Services, which may be modified periodically, except that no modification will alter your fundamental status and rights under the Franchise Agreement, any Participation Agreement, or any Confirmation of Transaction. Exchange Services are the identification of Participants to help fund advances to clients and the processing of Advances funded by those Participants.

Factoring Services. As a Liquid Capital franchisee, you may refer clients only to the Exchange and any of its approved Service Providers for factoring and other financial services. If you refer a client to the Exchange and the Exchange determines that the client meets an approved Service Provider's criteria, the Exchange will refer the client to the Service Provider to factor the client's accounts directly. If the Service Provider factors the accounts, it will pay a referral fee to Exchange. After deducting a fee for its services, Exchange will remit to you the balance of the referral fee. The amount you will receive is typically 60% of the referral fee paid by the Service Provider. (See Item 19, Section 2.)

Contracts and Forms. When you offer factoring services, you must use our form of Purchase and Sale Agreement, Participation Agreement, Confirmation of Transaction and other related forms. We publish these forms in the Rules and Regulations and provide you access to them through a web-based forms generator. (See Item 11)

Standards and Specifications. All products and services you use in the operation of your Liquid Capital Business must meet our standards and specifications, including the following:

Signage. You are not required to display any signage at your business premises, but if you do, we have the right to determine whether your signage complies with our specifications and standards. We will not unreasonably withhold our approval.

Computer System. See Item 11 for a description of our specifications for your computer system.

Insurance. Before you begin your Liquid Capital Business, you must obtain from insurers that are reasonably acceptable to us, and maintain during the term of the Franchise Agreement, certain required insurance coverage. We specify the required policies and amounts of coverage in the Rules and Regulations. Currently, we require only \$1,000,000 public liability coverage and, if applicable and required by law, workers compensation insurance. We may add additional coverages in the future. At our request, these policies must include a waiver of subrogation in favor of us and our affiliates. Policies must also contain a clause that the insurer will not cancel or change or refuse to renew the insurance without first giving us at least 30 days prior written notice. Except for workers' compensation insurance policies, these policies must also name us and our affiliates as additional named insureds and must provide that our interests will not be affected by your breach of any policy provisions or by your negligence or that of your agents or employees. You must deliver to us copies of all policies or certificates of insurance and any renewals at our request.

Business Premises. You must obtain our consent to the location of the Liquid Capital Business and our prior written consent if you wish to operate another business at the premises of the Liquid Capital Business.

Advertising Materials. You must submit all marketing and promotional materials you develop to us for our approval before you use them, and you must not use any advertising or promotional material unless it has been approved by us. If you receive written notice from us that your advertising or promotional materials are misusing the Marks or are otherwise violating our standards and specifications, then you agree to promptly discontinue the use of these materials.

Supplier Approval Procedure. You must use products and services that conform to our standards and specifications. If we have approved a particular product or service, or the supplier for a particular product or service, and you want to use a different product or supplier, you must give us written notice. You must also submit to us, or to someone we designate, specifications, photographs, samples and/or other information we request. We may also inspect the proposed supplier's facilities. You cannot acquire a product or service from the supplier until and unless we have issued our approval. Within a reasonable time (generally, 5 business days) after receiving the information you submit, we will determine whether the product, service or the supplier meets our standards and specifications. Our specifications and our criteria for supplier approval, are formulated and modified based on our assessment of the capabilities necessary to service Liquid Capital franchisees and their clients, are generally issued through written communications and, unless we consider them to be proprietary or trade secrets, are available to franchisees and approved suppliers. We may revoke our approval of an item or a supplier if they fail to continue to meet our standards. You must reimburse us for the costs that we incur in the supplier approval process, whether or not approval is given.

Purchasing Arrangements.

For the year ended December 31, 2005, neither we nor our affiliates have received any revenues from the sale of products or services to franchisees, nor have we or they received any payments from any designated or approved sources because of transactions with franchisees as of the date of this Offering Circular.

We do not negotiate purchase arrangements (including price terms) with suppliers for the benefit of our franchisees, and we or our affiliates may receive rebates from approved or designated sources. We do not provide material benefits to franchisees based upon their use of designated or approved suppliers. There are currently no purchasing or distribution cooperatives for the Liquid Capital System.

Your obligations to purchase or lease items from us, our designated or approved suppliers, or under our specifications are all considered "required purchases." We describe these obligations in detail in the preceding sections of this Item 8. You are not required to purchase or lease any equipment from us or from our designated or approved suppliers; however, the only exchange service that you may use is Exchange and all of your factoring arrangements must comply with our standards and specifications. We estimate that the magnitude of required purchases in relation to all purchases you must make to establish your Liquid Capital Business is approximately 20% and that the magnitude of required purchases in relation to all purchases you must make to operate your Liquid Capital Business is approximately 90% to 95%, although these figures are difficult to determine due to the variable nature and type of the expenditures required.

ITEM 9 FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS OFFERING CIRCULAR.

Obligation	Section in Franchise Agreement	Item in Offering Circular
a. Site selection and acquisition/lease	Section 8.01	Items 8 and 11
b. Pre-opening purchases/leases	Section 8.03	Items 5, 6, 7, 8 and 11
c. Site development and other pre-opening requirements	n/a	Items 7, 8 and 11
d. Initial and ongoing training	Article VII.	Items 6, 7 and 11
e. Opening	n/a	Items 7 and 11
f. Fees	Sections 4.01, 4.02, and 4.03	Items 5 and 6

Obligation	Section in Franchise Agreement	Item in Offering Circular
g. Compliance with standards and policies/Manuals	Sections 8.01 and 10.01	Items 8, 11, 14 and 16
h. Trademarks and proprietary information	Article IX.	Items 11, 13 and 14
i. Restrictions on products/services offered	Section 8.03	Items 8 and 16
j. Warranty and customer service requirements	Section 8.01	Item 16
k. Territorial development and sales quotas	Sections 2.02 and 13.02	Item 12
l. Ongoing product/service purchases	Section 8.03	Items 8, 11 and 16
m. Maintenance, appearance and remodeling requirements	Section 8.04	Item 8
n. Insurance	Article XI.	Items 7 and 8
o. Advertising	Article V.	Items 6, 8 and 11
p. Indemnification	Article XII.	Item 6
q. Owner's participation/ management/ staffing	Section 8.02	Items 1, 11 and 15
r. Records and reports	Section 6.02	Item 11
s. Inspections and audits	Section 6.03	Items 6 and 11
t. Transfer	Article XIV.	Items 6, 10 and 17
u. Renewal or extension of rights	Section 3.02	Items 6, 12 and 17
v. Post-termination obligations	Section 13.04	Item 17
w. Noncompetition covenants	Sections 10.03 and 10.04	Item 17
x. Dispute resolution	Article XVII.	Item 17

ITEM 10 FINANCING ARRANGEMENTS

You have no obligation to obtain financing from Accord and may secure financing from any source if you obtain from your financing source a signed Financing Estoppel Agreement in the form included in the Manual. This form requires the lender to acknowledge that it is not relying on any representations by us, Exchange or the Service Provider and that the lender will hold us, Exchange and the Service Provider harmless.

Accord may offer financing to qualified Liquid Capital franchisees or "Qualified Borrowers." Qualified Borrowers are those who fund 100% of advances to clients so that there are no other participants in the factoring transaction. Accord is under no obligation to offer financing to any Liquid Capital franchisee even if the franchisee is a Qualified Borrower. Accord's decision to extend, or not to extend, an offer of financing will be made solely by Accord based on its then-current lending criteria which may take into account factors like the financial strength of the Qualified Borrower, among others.

The following chart and notes summarize certain terms of the financing offered by Accord. You should also review with your advisors the complete terms of the Accord Loan and Security Agreement attached as Exhibit K to this Offering Circular.

Item Financed	Amount Financed	Down Payment	Term	APR %	Monthly Payment	Prepay Penalty	Security Required	Liability Upon Default	Loss of Legal Right on Default
Advances for funding transactions under revolving demand loan facility	Varies (Note 1)	None (Note 2)	Earlier of payment (voluntary or on demand) or default	Greater of 18% or prime rate plus 10% (Note 3)	(Note 2)	None	Personal, unlimited, unqualified guaranty; first lien on collateral (Note 4)	Accelerate obligation to repay loan advances; damages; loss of franchise rights and participation percentages (Note 5)	Waivers; right of set off (Note 6)

Note 1 If you are a Qualified Buyer and otherwise satisfy Accord's lending criteria, Accord may establish a revolving demand loan facility for Full Factoring Funding Transactions ("Loan") on your request. (See the Accord Loan and Security Agreement attached as Exhibit K.) The amount outstanding under the Loan at any time will not exceed the lesser of: (a) 75% of the amount of funds outstanding in all Funding Transactions (as defined in the Loan Agreement) or (b) 56.25% of the Accounts (as defined in the Loan Agreement) approved by Accord for all Funding Transactions and on which Accord has received a first priority pledge from Exchange. Each advance under the Loan will be made in Accord's sole discretion. Before Accord advances any funds, you and your owners must sign certain Security Documents (See Note 4) required by Accord, Exchange must sign a pledge agreement and collateral assignment, and you must satisfy certain other pre-conditions detailed in Sections 2.4 and 2.5 of the Loan and Security Agreement.

- Note 2 Principal and any accrued but unpaid interest is payable on demand. Interest, before and after demand or judgment, is paid on the daily closing balance of the Loan, calculated up to the day immediately preceding each remittance and deducted by Accord from each remittance. Each payment will vary depending on the amount financed and the applicable interest rate. Repayment of advances may be prepaid without penalty.
- Note 3 The prime rate is the floating annual rate of interest established by the Bank of America, N.A. as its prime rate.
- Note 4 To secure payments, Accord requires Qualified Buyers to sign (i) the Loan and Security Agreement granting Accord a continuing first lien security interest in and right of set off against the collateral (to include the payment stream generated by Participation Interests and all other property of the Qualified Borrower as further defined in the Loan and Security Agreement); and (ii) any subordination agreements or other instruments that Accord deems necessary to protect its interests. Exchange must sign a pledge agreement and collateral assignment in favor of Accord of a first lien on all Accounts (as defined in the Franchise Agreement) relating to each Funding Transaction as to which advances under the Loan are made. The Qualified Buyer's owners must also personally guarantee payment of the Qualified Buyer's obligations.
- Note 5 On an Event of Default Accord can demand immediate payment of the outstanding principal and interest, foreclose on the collateral and proceed against the guarantors. Events of Default are: (i) default on any obligation under the Loan and Security Agreement, other Security Documents or Franchise Agreement, (ii) the winding up, dissolution or liquidation of Qualified Buyer (iii) Qualified Buyer's bankruptcy or receivership, (iv) a court order becomes enforceable against Qualified Buyer, (v) Qualified Buyer's assets are pledged or encumbered, (vi) Qualified Buyer misrepresents any material fact, (vii) there is a material loss of the collateral not covered by insurance or, except as expressly permitted, the collateral is sold, leased or encumbered or is seized, attached or levied upon, (viii) any of Qualified Buyer's other creditors obtains control or possession of the collateral or begins foreclosure actions against the collateral or Qualified Buyer defaults on any material obligations to another party, (ix) a default by Exchange on any pledge agreement and collateral assignment from Exchange to Lender securing the Loan or Exchange's failure to perfect the underlying lien on the pledged collateral, or (x) the death of any guarantor or the presentation of a bankruptcy petition against any guarantor or the taking of possession by a receiver of any of the assets of any guarantor. A default under the Loan and Security Agreement will also constitute a default under the Franchise Agreement and may result in the loss of Qualified Buyers franchise rights and Participation Percentages under the various Participation Agreements to which Qualified Buyer is a party.
- Note 6 Qualified Buyer waives presentment, demand, protest, notice of dishonor and all other demands or notices. Lender may set-off any amounts Qualified Buyer owes the Lender against amounts the Lender may owe Qualified Buyer without notice or demand.

Although we do know Accord's intent, Accord may sell, assign, or discount the Loan and Security Agreement to a third party who may be immune to claims or defenses the franchisee may have against Accord, us or Exchange.

Except as provided in this Item 10, we, our affiliates do not offer and we do not arrange any direct or indirect financing for you. We do not guarantee your notes, leases or other obligations.

ITEM 11
FRANCHISOR'S OBLIGATIONS

Except as described below, we need not provide any assistance to you:

Pre-Opening Obligations: Before you open your Liquid Capital Business, we or our designee will:

1. Review the proposed site for your Liquid Capital Business. (Franchise Agreement, Section 8.01)
2. Provide initial training to those of your owners and employees that we require to attend training. (Franchise Agreement, Article VII.)
3. Access to our Manual after Basic Operational Training has been completed to our satisfaction. (Franchise Agreement, Section 7.04)
4. Provide opening assistance. (Franchise Agreement, Section 7.04)
5. Give you a list of any approved or designated suppliers. (Franchise Agreement, Section 8.03)
6. Make our personnel available for consultation regarding your Liquid Capital Business. (Franchise Agreement, Section 7.04)

Post-Opening Obligations: After your Liquid Capital Business opens we or our designee will:

1. Maintain and administer the marketing Fund. (Franchise Agreement, Section 5.01)
2. Review your local advertising materials for compliance with our standards. (Franchise Agreement, Section 5.02)
3. Review and approve or disapprove the establishment of an Internet website that provides information about the products and services offered by your Liquid Capital Business. (Franchise Agreement, Section 5.03)
4. In our discretion, establish an intranet to facilitate communications within the Liquid Capital network. (Franchise Agreement, Section 5.03)
5. Make our personnel available for consultation regarding your Liquid Capital Business. (Franchise Agreement, Section 7.04)
6. Update any lists of designated or approved suppliers. (Franchise Agreement, Section 8.03)
7. Provide any additional training programs that we determine to be appropriate. (Franchise Agreement, Section 7.02)

8. Provide an annual conference for Liquid Capital Business franchisees. (Franchise Agreement, Section 7.03)

9. Refer leads to you in accordance with our Referral System (as defined in the Franchise Agreement). (Franchise Agreement, Section 2.04)

10. Make the Exchange System available to you, so long as you are in Good Standing under the Franchise Agreement. (Franchise Agreement, Section 6.01)

11. Provide or designate a provider of Back-Office Support Services (as defined in the Franchise Agreement). (Franchise Agreement, Section 7.04)

12. Provide or cause our designee to provide marketing and advertising assistance, as we deem appropriate. (Franchise Agreement, Section 7.04)

Site Selection

You may operate your Liquid Capital Business from a location within or outside (but within reasonable proximity to) the Territory described in the Franchise Agreement. This may be your home, an executive suite or other location we approve. The Territory will be determined and described in Exhibit C to the Franchise Agreement before you sign it. We are not required to assist you in selecting a site for a Liquid Capital Business, but you may not use any site for a Liquid Capital Business unless we first approve it in writing. You may not relocate your Liquid Capital Business without our prior written consent. There is no required time period in which we must act to approve a site, although we expect to respond promptly (within 10 business days) to these requests. Because many locations are suitable as sites for the operation of your Liquid Capital Business, we do not anticipate that you will be unable to locate a site that we will approve. However, if you do not locate an approved site and begin operating your Liquid Capital Business within 30 days from the date you complete the Basic Operational Training Course, you will be in default, and we can terminate your Franchise Agreement.

Training

Before you open for business, your Controlling Principal, and any other employees you designate and we approve must have attended and satisfactorily completed our initial training program. (Franchise Agreement, Section 7.01.)

Currently, training is conducted in McKinney, Texas. We provide the initial training program at no charge (other than the Initial Franchise Fee) for 3 persons (including your Controlling Principal) or 5 persons if you qualify for our multi-territory program. All must attend the same training session. You must pay all expenses you and your personnel incur in initial training, including costs of travel, lodging, meals and wages. (Franchise Agreement, Section 7.01)

Our training is administered and directed by Brian Birnbaum and Darla Auchinachie, whose experience is described in Item 2 of this Offering Circular, and will be conducted by our qualified employees and management personnel. We may also draw upon the experience of other training professionals.

Our initial training program is offered as needed during the year depending on the number of new Liquid Capital franchisees, the number of other personnel needing training, and the scheduled opening of new Liquid Capital Businesses. Initial training generally requires approximately 5 days. The subjects covered and other information relevant to our initial training program are described below.

To qualify as a Managing Participant (as defined in the Franchise Agreement) you must attend an additional training program and pass an exam at the end of the program with a score of at least 65%.

Basic Operational Training Course

	Subject	Instructional Material	Hours of Classroom Training	Hours of On-the-Job Training
Pre-Training		Workbook and Reading Materials – Survey and Quiz		6
Monday (7 Classroom Hours)	Review of Terms	Manual	.5	
	Liquid Capital Overview	Power Point Presentation	.5	
	Rules & Regs	Manual	1	
	Components of a Deal/Sample Transactions	Power Point Presentation	2	
	Documentation	Manual	3	
Tuesday (8 Classroom Hours)	Underwriting and Due Diligence	Power Point Presentation, Manual, Online Presentation	3	
	Forms Generator		1	
	Funding Procedures		2	
	Portfolio Monitoring		2	
			2	
Wednesday (7.5 Classroom Hours)	Portfolio Report Review	Power Point Presentation, Manual, Online Presentation		
	Risk Management and Fraud Prevention		3.5	
	Accounting		1	
	Website Customization & Intranets Site		1	
Thursday (7.5 Classroom Hours)	Sales Training	Manuals, Presentations	7.5	
Friday (7.5 Classroom Hours)	Sales Training	Manuals, Presentations	4	
	Marketing for Factoring & Discussion	Power Point Presentation	3.5	

	Subject	Instructional Material	Hours of Classroom Training	Hours of On-the-Job Training
Saturday 4 Classroom Hours	Marketing Tools and Methodologies	Power Point Presentations	3	
	Fast Action Start Plan		1	
Ongoing	Sales Training/Support	Conference Calls		12 (1 hour bi-weekly for 12 weeks)
		Total:	41.5	18

We may require you or your personnel to attend additional training programs and may charge a fee for training materials. You must pay all expenses you or your personnel incur in any training program, including the cost of travel, lodging, meals and wages. (Franchise Agreement, Section 7.02)

Advertising

Currently, you must contribute \$500 per month to our general marketing fund (the "Fund"). We may increase this amount on or after the first anniversary of the day you sign the Franchise Agreement and each succeeding anniversary by no more than 10% of the amount charged during the last year. We do not currently have any company-owned Liquid Capital Businesses. If we later establish company-owned Liquid Capital Businesses, those Businesses will contribute to the Fund on the same basis as Liquid Capital franchisees.

We, or our designee, will administer the Fund and will direct all advertising programs, including the creative concepts, materials and media used in the programs. We may use the Fund to satisfy the costs of reasonable salaries, administrative costs, travel expenses and overhead we may incur in activities related to the administration of the Fund, including conducting market research; preparing, producing and placing advertising, promotion and marketing materials; and collecting and accounting for contributions to the Fund.

We are not required to make expenditures for you that are equivalent or proportionate to your Fund contribution or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising. The Fund will not be used to solicit the sale of franchises.

We anticipate that Fund advertising will be conducted primarily through electronic or print media on a regional or national basis, and that the majority of our advertising will initially be developed in-house. We may later use an advertising agency. We presently do not have an advertising council.

We will not use your Fund contributions to defray any of our operating expenses, except for any reasonable administrative costs and overhead including staff salaries that we may incur in administering or directing the Fund. We will prepare an annual statement of the Funds operations and will make it available to you if you request it. We are not required to have the Fund statements audited.

For the year ended December 31, 2005, 100% of contributions to the Fund were spent on advertising costs for direct marketing and telemarketing. We also contributed corporate funds to these initiatives in excess of the amounts contributed to the Fund by franchisees.

Although the Fund is intended to be perpetual, we may terminate it at any time. We will not terminate the Fund, however, until all money in the Fund has been spent for advertising or promotional purposes or returned to the contributors on the basis of their respective contributions. (Franchise Agreement, Section 5.01.)

You may develop your own marketing and promotional materials; however, you must submit all marketing and promotional materials you develop to us for approval before you use them. (Franchise Agreement, Section 5.02)

We can designate any geographic area in which 2 or more Liquid Capital Businesses are located as a region for purposes of conducting cooperative local or regional promotions. Each Liquid Capital Business located in the region must participate in local or regional promotions on terms applicable to all Liquid Capital Business located in the region. (Franchise Agreement, Section 5.02) Currently, we have no cooperatives. If we later establish cooperatives, we will prescribe the governing documents for the cooperatives which will be made available to you and which will determine (i) how your contribution to the cooperative is calculated, (ii) who is responsible for administering the cooperative, and (iii) how the cooperative may be changed, dissolved or merged. We anticipate that any cooperative will prepare annual or other periodic financial statements, which will be unaudited but which will be made available to all members of the cooperative for review.

You cannot use any computer media and/or electronic media (including the Internet, bulletin boards and news groups) or establish or use any Internet website which is associated with the Liquid Capital Business, the Liquid Capital System, or which displays or uses the Marks without first obtaining our consent. This means that you cannot post any advertisements or material on the Internet that display the Marks or suggest an association with the Liquid Capital System, without our prior written consent. Any Internet website you use must comply with our standards (as set forth in the Rules and Regulations). Any website created by or for you must contain a hypertext link to our website in the form we require, and no other hypertext links to third party websites unless we have previously approved them in writing. We reserve the right to revoke approval of a website at any time that the website fails to continue to meet our standards, and you agree that if we do, you will immediately discontinue use of the website. (Franchise Agreement, Section 5.03)

Operations Manual

After you sign the Franchise Agreement, we will give you access to our Manual. (Franchise Agreement, Section 5.03) The table of contents of the Manual is attached as Exhibit G to this Offering Circular. We consider the contents of the Manual (including the Rules and Regulations) to be proprietary, and you must treat it as confidential.

Opening

Although we have no franchisees as of the date of this Offering Circular, we expect a typical length of time between signing the Franchise Agreement and beginning the operation of your Liquid Capital Business will be approximately 3 to 6 weeks. During this period, your Controlling Principal and any other required personnel will attend and complete initial training.

Computer Requirements

You must install and maintain a computer system comprised of the components identified in Exhibit I to this Offering Circular. You may acquire these components from any source. The computer system is used to afford you access to our web-based forms generator and generally to operate your business, including affording you access to e-mail, generating accounts listings, performing accounting functions and providing contact management.

You must use a web-enabled software program that LCC developed and maintains that allows franchisees to generate factoring documents through a secure web-interface (the "Document Software"). The Document Software captures and retains client specific information in a database housed on our server. LCC owns all rights in the Document Software, and you have no obligation to maintain or upgrade it.

You must use a software program that LCC developed and maintains that allows franchisees to use templates to create custom multi-view web-pages (the "Web Software"). The Web Software permits franchisees to modify the content on their web pages and to upload photos, graphics, and promotional material that we approve. LCC owns all rights in the Web Software, and you have no obligation to maintain or upgrade it.

You must install and use Sage Software's "Simply Accounting by Sage" software. The Simply Accounting software is used to perform accounting functions and to maintain financial information about the Liquid Capital Business. You may obtain the Simply Accounting software from any source. Sage's principal business address is 6700 Koll Center Parkway, Pleasanton, California 94566 and its phone number is (925) 461-2625. The Simply Accounting software has been used in the operation of Liquid Capital Businesses in Canada for approximately 1½ years. You are responsible for maintaining the Simply Accounting software. There are no contractual limitations on the frequency and cost of this maintenance obligation.

Within 60 days after we send you notice, you must install any other hardware or software for the operation of the Liquid Capital Business that we may require in the future, including any enhancements, additions, substitutions, modifications, and upgrades. We plan to develop additional software programs and we may require you to license from us, or others we designate, any computer software we develop or acquire for use by Liquid Capital Businesses and we may charge a fee. At our request, you must transmit to us or our designee or permit us or our designee to collect information from your computer system electronically. We have the right to access and retrieve all information relating to the Liquid Capital Business from your computer system at all times (including on a daily basis). You must take any action that may be necessary to give us that access, including leaving your computer on and available to polling and ensuring that its modem is engaged to receive calls from the us at all times. There is no contractual limitation on these requirements. (Franchise Agreement, Section 6.05)

ITEM 12 TERRITORY

Your Franchise Agreement will specify a Territory within which you will operate your Liquid Capital Business. Your business premises must be located within the Territory or within reasonable proximity to your Territory at a site we approve. We will not unreasonably withhold our approval for you to relocate your Liquid Capital Business.

The Territory will be based on zip codes and delineated by specific geographic boundaries. These may be municipal or county boundaries or the boundaries of a specified trade area within a municipality or county. The actual size of the Territory will vary depending upon the availability of contiguous markets, our long range plans, your financial and operational resources, and market conditions. A written description of the Territory will be inserted in Exhibit C to the Franchise Agreement before you sign.

The Franchise Agreement gives you the right to operate the Liquid Capital Business only in the Territory. You may not solicit any business from any person whose place of business is outside of the Territory or any person not having a bona fide business office within the Territory unless the business results from a Bona Fide Referral which satisfies the criteria established in the Rules and Regulations contained in the Manual. If you receive an inquiry related to a proposed factoring transaction from any person located outside the Territory, other than a Bona Fide Referral, you must refer this person to a Liquid Capital franchisee located in the other territory, or to us if there is no Liquid Capital franchisee in that territory. Other Liquid Capital franchisees are subject to the same restrictions. If there is a dispute regarding the allocation of leads among Liquid Capital franchisees, we or a committee constituted by us, will make a final and binding determination.

We will not offer or sell, and will not license others to offer or sell, the products and services which are the subject of the franchise in your Territory through any alternative methods of distribution, except that we or other franchisees may offer and sell such products and services in your Territory as a result of a Bona Fide Referral as discussed above. If you are in Good Standing (as defined in the Franchise Agreement), during the term of the Franchise Agreement, neither we nor our affiliates will establish, or license anyone other than you to establish, a Liquid Capital Business in your Territory. However, we may modify your Territory in certain circumstances.

Under the Franchise Agreement, you must achieve certain minimum annual performance goals ("Minimum Business Volume"): For participants in our multi-territory program, these annual minimums begin in the third year of operation following the effective date of the Franchise Agreement. These performance goals will be inserted in Exhibit B to the Franchise Agreement before you sign. If the number of Small Businesses (as defined in the Franchise Agreement) in your Territory increases by 20% over at least a 5 year period from the date of your Franchise Agreement, we may elect to adjust your Minimum Business Volume to accommodate the increase in demographics. If you and we fail to mutually agree on the new Minimum Business Volume, then we may modify your Territory. Except as described in this paragraph, the continuation of your territorial protections does not depend on the achievement of a certain sales volume, market penetration or other contingency.

We do not typically grant options, rights of first refusal or similar rights to acquire additional franchises within the Territory or contiguous territories, although we reserve the right in appropriate circumstances to notify franchisees of expressions of interest in unsold contiguous territories.

ITEM 13 TRADEMARKS

The Franchise Agreement gives you a franchise to operate a Liquid Capital Business under the Marks, including the mark "Liquid Capital".

LCC has filed applications for registration of the following Marks on the Principal Register of the U.S. Patent and Trademark Office ("USPTO"). Following registration and at the appropriate times, LCC intends to renew the registration and to file all appropriate affidavits.

Mark	Application Number	Application Date
LIQUID CAPITAL (Class 36) Use Based	78/514404	November 10, 2004
LIQUID CAPITAL (Class 36) Intent to Use	78/514138	November 9, 2004
LIQUID CAPITAL (Class 35) Intent to Use	78/514136	November 9, 2004

By not yet having a Principal Register federal registration for these Marks, LCC does not have certain presumptive legal rights granted by a registration on the Principal Register. In addition, neither LCC nor we have filed an application for the logo displayed on the cover page. By not having a Principal Register federal registration for this design, neither we nor LCC have certain presumptive legal rights granted by this registration.

In addition, the mark "Liquid Capital" is registered in the states of Louisiana (Registration Number 58-5750, February 3, 2005); Georgia (Registration Number S-22016, April 11, 2005); and South Carolina (registered February 3, 2005).

LCC has granted us and Exchange the non-exclusive right to use the Marks and us the non-exclusive right to license use of the Marks to our franchisees under the terms of a perpetual license agreement ("Inter-company License"). The Inter-company License is terminable only for material breach and only if we do not cure or begin to cure the breach within 90 days after notice. We know of no other agreements currently in effect which significantly limit our rights to use or license the use of the Mark in any manner material to you.

There is no presently effective determination of the USPTO, the trademark trial and appeal board, the trademark administrator of any state or any court, nor any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving any Mark which is relevant to its ownership, use or licensing.

We know of no superior prior rights or infringing use that could materially affect your use of the Marks.

We are not obligated to protect your rights to use the Marks or to protect you against claims of infringement or unfair competition.

You must immediately notify us of any infringement of the Marks or of any challenge to the use of any of the Marks or claim by any person of any rights in any of the Marks. You and your Principals must agree not to communicate with any person other than us, any designated affiliate and our or their counsel about any infringement, challenge or claim of this type. We or our affiliates have sole discretion to take any action we deem appropriate and the right to exclusively control any litigation, or USPTO (or other) proceeding, arising out of any infringement, challenge or claim concerning any of the Marks. You must sign all instruments and documents and give us any assistance that, in our counsel's opinion, may be necessary or advisable to protect and maintain our interests or those of our affiliates in any litigation or proceeding of this type or to otherwise protect and maintain our or their interest in the Marks.

You may not use any of the Marks as part of your corporate or other name. You must also follow our instructions for identifying yourself as a franchisee and for filing and maintaining the requisite trade name or fictitious name registrations. You must sign any documents we or our counsel determine are necessary to obtain protection for the Marks or to maintain their continued validity and enforceability. Neither you nor your Principals may take any action that would prejudice or interfere with the validity of our rights with respect to the Marks and may not contest the validity of our interest in the Marks or assist others to do so.

We have the right to substitute different trade names, service marks, trademarks and indicia of origin for the Marks if the Marks can no longer be used, or if we determine, in our sole discretion, that the substitution will be beneficial to the System. If we do, we may require you to discontinue or modify your use of any Mark or use one or more additional or substitute Marks at your expense.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents that are material to the franchise. We do claim copyright protection and proprietary rights in the original materials used in the System, including our Manual, bulletins, correspondence and communications with our franchisees, training, advertising and promotional materials, and other written materials relating to the operation of Liquid Capital Businesses and the System.

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or franchise our copyrights. We are not obligated by the Franchise Agreement, or otherwise, to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use or licensing of the copyrights.

We treat all of this information as trade secrets and you must treat any of this information we communicate to you confidentially. You must not communicate or use our confidential information for the benefit of anyone else during and after the term of the Franchise Agreement. You must also agree not to use our confidential information at all after the Franchise Agreement terminates or expires. You can give this confidential information only to your employees who need it to operate your Liquid Capital Business. You must have your Principals (including your Controlling Principal) and any of your other

personnel who have received or will have access to our confidential information, sign similar covenants. (See Item 15.)

If you or your owners or employees develop any new concept, process or improvement in the operation or promotion of your Liquid Capital Business (including any advertising materials created by or for you), you must promptly notify us and give us all necessary information about the new process or improvement, without compensation. These concepts, processes or improvements will become our property, and we may use or disclose them to other franchisees, as we determine appropriate.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

The operation of your Liquid Capital Business in the Territory must be directly supervised by a person with an ownership interest in you and whom you designate as your "Controlling Principal." We must approve your Controlling Principal, and he or she must complete our required training and devote full time and best efforts to the fulfillment of your obligations under the Franchise Agreement.

Your Controlling Principal and each Principal (as defined in the Franchise Agreement) we designate must sign a Guaranty and Assumption Agreement of your performance under the Franchise Agreement and must agree to comply with the provisions of the Franchise Agreement pertaining to confidentiality, competition, transfer, death or permanent disability, acknowledgments, dispute resolution and governing law (described in Item 17 of this Offering Circular) as well as with the financial provisions of the Franchise Agreement. Your Controlling Principal may not engage in any other business or activity that may conflict with your obligations under the Franchise Agreement.

Your Principals who are not required to sign the Guaranty and Assumption Agreement must sign an undertaking to maintain the confidentiality of our proprietary information and to comply with the covenants not to compete, dispute resolution procedures, and transfer provisions (described in Item 17 of this Offering Circular).

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer and sell only the products and services that we periodically specify. You may not offer or sell any products or services that we have not authorized, and you must discontinue any products or services that we disapprove. We may modify the Liquid Capital System and may require you to provide new financial services. However, these modification may not alter your fundamental status and rights as a franchisee of a factoring business un the Franchise Agreement.

You may not solicit any business from any person whose place of business is outside of the Territory or any person not having a bona fide business office within the Territory, unless the business transaction results from a Bona Fide Referral. (See Item 12)

Neither you nor your Principals may refer clients to any provider of factoring, funding, or financial services except Exchange, unless we designate otherwise in writing.

We do not impose any other restrictions in the Franchise Agreement or otherwise on the goods or services that you may offer or sell or on the customers to whom you may offer or sell.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

Provision	Section in Franchise Agreement	Summary
a. Term of the franchise	Section 3.01	10 year initial term.
b. Renewal or extension of the term	Section 3.02	Additional successive periods of 10 years each.
c. Requirements for you to renew or extend	Section 3.02	Not be in default under this Agreement or any other agreement with us or an Affiliate or the Exchange; give written notice; renovate and update required items; pay legal fees and other costs we incur; sign then-current form of franchise agreement; sign general release; and pay a renewal fee equal to 50% of our then-current initial franchise fee charged to the newest Liquid Capital Franchisee.
d. Termination by you	Section 13.01	With or without cause on 90 days notice.
e. Termination by us without cause	n/a	None
f. Termination by us with "cause"	Section 13.02	We may terminate on your default.
g. "Cause" defined - defaults which can be cured	Section 13.02	3 days to resume making payments in the ordinary course of business; 3 days to cure a failure to properly maintain records; 3 days to cure a failure to produce a Financing Estoppel Certification; 10 days to cure a failure to submit a required report; 10 days to cure a failure to pay us or our Affiliates; 30 days to find a replacement Controlling Principal if we determine that the Controlling Principal will not adequately manage and operate the Franchised Business, or to cure any other default not specifically listed above or listed as non-curable.

Provision	Section in Franchise Agreement	Summary
h. "Cause" defined - defaults which cannot be cured	Section 13.02 and 13.03	Cessation of operations or a threat to cease operations; failure to make payment to a Client; violation of the restrictions on transfer; commission of a default under any contract of conditional sale or other security instrument; loss of right to do business; determination by us that, upon death or permanent disability, Controlling Principal's Designee is not capable of managing the business; 3 defaults within 12 months even if cured; understatement of Gross Revenue by more than 3%; material distortion of material information; charge or conviction of a felony or misdemeanor involving fraud, breach of trust or moral turpitude, violation of confidentiality or in-term non-compete; commission of an action that brings the System into disrepute, failure to maintain the Minimum Business Volume; default and/or failure to cure default under any other agreement with us, our Affiliates or the Exchange (including any Participation Agreement); insolvency, bankruptcy and related financial defaults; legal dissolution.
i. Your obligations on termination/ nonrenewal	Section 13.04	Pay amounts due; stop using our System and Marks; cancel assumed name filings; return Manuals and all plans, specifications, software, databases, and forms containing information relevant to the operation of the Franchised Business; de-identify; do not represent yourself as a current or former Liquid Capital franchisee; remove from all directories and websites any listing as a Liquid Capital franchisee; assign to us your telephone numbers, yellow pages listings; e-mail addresses and internet websites, comply with confidentiality and non-competition covenants.
j. Assignment of contract by us	Section 14.01	We may transfer our rights without restriction.
k. "Transfer" by you -- definition	Section 14.02	You and your Principals must not transfer any interest in the Franchise Agreement, the Liquid Capital Business, or any interest in you except in compliance with the Franchise Agreement.
l. Our approval of transfer by you	Sections 14.02 and 14.03	We must consent to a transfer by you or your Principals and you must notify us of transfers which do not effect a Change in Control. All transfers must meet certain conditions.

Provision	Section in Franchise Agreement	Summary
m. Conditions for our approval of transfer	Sections 14.02 and 14.03	<p>Transfers which do not effect a Change in Control – advance written notice, information we may reasonably require; and, upon our request, transferee must sign a Guaranty.</p> <p>Franchisee and Principal Owner Transfer – you are not in default under this Agreement or any other agreement with us, our Affiliates, or the Exchange; you pay all accrued but unpaid fees; you sign general release, you pay a transfer fee (50% of our existing Initial Franchise Fee) and all fees we incur in connection with the transfer; new franchisee signs current form of franchise agreement or written assignment; new principal owners guaranty performance; transferee completes required training; buyer is qualified, and transferee agrees to upgrade Liquid Capital Business to current standards. No transfer fee will be charged if you transfer to an immediate family member.</p>
n. Our right of first refusal to acquire your business	n/a	None.
o. Our option to purchase your business	Sections 15.01 and 15.02	Upon death or permanent disability of the Controlling Principal, we may be required to purchase your entire Portfolio (the purchase price to be calculated in accordance with the formula in the Franchise Agreement).
p. Your death or disability	Section 15.01	Upon the death or determination of permanent disability of your Controlling Principal, Controlling Principal or his or her personal representative may elect 1.) to require us to purchase your entire Portfolio or 2.) the Controlling Principal's Designee may succeed to the interest and assume the role of Controlling Principal (so long as the designee completes training).
q. Non-competition covenants during the term of the franchise	Section 10.03	You and your Principals may not operate or have an interest in any business in competition with or similar to the Liquid Capital Businesses and may not refer Clients to any provider of factoring, funding or financial services (except for the Exchange or as we may otherwise designate).

Provision	Section in Franchise Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Section 10.04	Without our consent, for 2 years after the expiration, termination, or transfer of the Franchise Agreement, you and your Principals may not have an interest in or assist or advise any business competitive with the Liquid Capital Businesses in the United States or Canada.
s. Modification of the agreement	Sections 18.11	Except for changes we may make to the Manual (including the Rules and Regulations), all changes require mutual agreement.
t. Integration/merger clause	Section 18.11	Only the terms of the Franchise Agreement, the Exhibits to the Franchise Agreement, and the documents referred to in the Franchise Agreement are binding. No other representations or promises are binding.
u. Dispute resolution by arbitration or mediation	Section 17.02	Disputes must be mediated, except for actions we bring for injunctive or other extraordinary relief property, the Marks or our confidential information.
v. Choice of forum	Section 17.02 and 17.03	Unless contrary to applicable state law, mediation is in Wilmington, Delaware or at our principal place of business. Venue for any other proceeding is the state or federal district court for the jurisdiction in which Wilmington, Delaware or our principal place of business is located. (See the State Addenda inserted at the beginning of this Offering Circular)
w. Choice of law	Section 17.01	Unless contrary to applicable state law, Delaware law, except for Delaware choice of law rules. (See the State Addenda inserted at the beginning of this Offering Circular)

Participation Agreement

This table lists important provisions of the Participation Agreement. You should read these provisions in the Participation Agreement attached to this Offering Circular.

Provision	Section in Participation Agreement	Summary
a. Term of the franchise	Section 15.1	Effective from the date the Participation Agreement is signed until the earlier of the expiration or termination of the Purchase and Sale Agreement.
b. Renewal or extension of the term	Section 15.2	If the Purchase and Sale Agreement is renewed after the expiration of the Initial Term or any Renewal Term, you may renew your Participation Percentage for successive periods coterminous with the Renewal Terms (not to exceed one year) of the Purchase and Sale Agreement.
c. Requirements for you to renew or extend	Section 15.2	You must be in Good Standing and give us written notice at least 15 days before the expiration of the initial term or any renewal term.
d. Termination by you	n/a	None
e. Termination by us without cause	n/a	None
f. Termination by us with "cause"	Sections 12.2, 12.3 and 12.4	We may terminate your Participation Percentage on your default and failure to cure. Expiration or termination of your Franchise Agreement is a default under the Participation Agreement, and a default under the Participation Agreement is a default under your Franchise Agreement.
g. "Cause" defined - defaults which can be cured	Sections 3.4 and 3.5	Failure to adequately fund your Liquid Capital Remittance Account. We may determine not to sell your Participation Percentage if you repay any advance we make on your behalf by 10:00 am on the next Banking Day.
h. "Cause" defined - defaults which cannot be cured	Section 12.3	A default that continues after any allotted cure period has elapsed.

Provision	Section in Participation Agreement	Summary
i. Your obligations on termination/ nonrenewal	n/a	None
j. Assignment of contract by us	Section 13.1	We may assign our rights without restriction.
k. "Transfer" by you – definition	Section 13.2	You must not assign any interest in the Participation Agreement, except in compliance with the Participation Agreement.
l. Our approval of transfer by you	Section 13.2	You may not assign your Participation Percentage in the Participation Agreement (in whole or in part) except where the Franchise Agreement is also being assigned (in which case your Participation Percentage must also be assigned).
m. Conditions for our approval of transfer	Section 13.2	You may not assign your Participation Percentage unless you also assign all of your rights under the Franchise Agreement.
n. Our right of first refusal to acquire your business	n/a	None
o. Our option to purchase your business	n/a	None
p. Your death or disability	n/a	None
q. Non-competition covenants during the term of the franchise	n/a	None
r. Non-competition covenants after the franchise is terminated or expires	n/a	None
s. Modification of the agreement	Section 16.1	The Participation Agreement may only be modified upon a mutual written agreement signed by all parties.

Provision	Section in Participation Agreement	Summary
t. Integration/merger clause	Section 16.3	No course of dealing, course of performance, or parole evidence of any nature can be used to supplement the terms of the Participation Agreement.
u. Dispute resolution by arbitration or mediation	Sections 14.2 and 14.3	Disputes must first be submitted to non-binding mediation. If the dispute is not resolved in mediation it must be submitted for arbitration.
v. Choice of forum	Sections 14.2 and 14.3	Mediation is at a mutually agreeable location. If the parties cannot agree on a location, the mediation and/or arbitration will take place at the AAA offices nearest to Wilmington, Delaware.
w. Choice of law	Section 14.1	Delaware law, except for Delaware choice of law rules or unless otherwise required by applicable state law.

The following states have statutes which may supersede the Franchise Agreement, Participation Agreement and other related agreements in your relationship with us. These statutes may affect the enforceability of provisions in the agreements related to termination; transfer; renewal; covenants not to compete; choice of law; jurisdiction; venue selection; execution of waivers and releases of claims under the statute; injunctive relief; waiver of rights to jury trial; punitive and liquidated damage provisions, and other remedies; arbitration; and discrimination between operators: Ark. Code Ann. §§ 4-72-201 - 4-72-210 (Michie 1997); Cal. Corp. Code §§ 31000 - 31516 (West 2000); Cal. Bus. & Prof. Code §§ 20000 - 20043 (West 1996); Conn. Gen. Stat. §§ 42-133e - 42-133h (1995); Del. Code Ann. tit. 6 §§ 2551-2556 (1980); Haw. Rev. Stat. §§ 482E-1 - 5, 482E-6, 482E-8, 482E-9, 482E-11 - 482E-12 (1996); Ill. Comp. Stat. ch. 815 §§ 705/1 - 705/44 (West 2000); Ind. Code 23 §§ 1-51(2001); Iowa Code §§ 523H.1 - 523H.17(2000); Iowa Code §537A.10 (2000); Md. Code. Ann. Bus. Reg. §§ 14-201 - 14-233 (1993); Md. Code Ann. Com. Law. §§ 111301 - 11-307 (1999); Mich. Comp. Laws §§ 445.1501 - 445.1545 (1989); Minn. Stat. §§80C.01-80C.22 (2001); Miss. Code Ann. §§ 75-24-51 - 75-24-51 (1972); Mo. Rev. Stat. §§ 407.400 - 407.410, 407.413, 407.420 (1998); Neb. Rev. Stat. §§ 87-401 - 87-410 (1993); N.J. Rev. Stat. §§ 56.10-1 - 56.10-12 (1999); N.Y. Gen. Bus. §§ 680-695 (1989); N.D. Cent. Code §§ 51-19-01 - 51-19-17(2001); Or. Rev. Stat. §§ 650.005 - 650-085 (1995); R.I. Gen. Laws §§ 19-28.1-1 - 19.28.1-34 (1994); S.D. Codified Laws §§ 37-5A-1 - 37-5A-87 Michie (1994); Tex. Bus. & Com. Code tit. 4 §§ 41.001-41.303 (1997); Va. Code Ann. §§ 13.1-557 - 13.1-574 (1998); Wash. Rev. Code §§ 19.100.010 - 19.100.940 (1994); Wis. Stat. §§ 553.01 - 553.78 (1997); Wis. Stat. §§ 135.01 - 135.07 (1984). These and other states may have fair practice laws and other civil statutes affecting contracts and state and federal court decisions that may also affect the enforcement of provisions in the Franchise Agreement and other related agreements.

California residents, see the California Addendum to this Offering Circular for additional disclosures required by California law.

**ITEM 18
PUBLIC FIGURES**

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

**ITEM 19
EARNINGS CLAIMS**

We do not furnish or authorize our salespersons to furnish to prospective franchisees any oral or written information concerning the actual or potential sales, income, profits or earnings of a Liquid Capital Business. Actual results vary from franchise to franchise and we cannot estimate the results of any particular franchise. (But see Exhibit H)

**ITEM 20
LIST OF OUTLETS**

**FRANCHISED LIQUID CAPITAL BUSINESSES
STATUS SUMMARY AS OF
DECEMBER 31, 2005⁽¹⁾**

State	Transfers	Canceled Terminated	Not Renewed	Reacquired By Liquid Capital Businesses	Left the System Other	Total From Left Columns	Liquid Capital Businesses Operating As of December 31, 2005
Arkansas	0	0	0	0	0	0	1
California	0	0	0	0	0	0	1
Colorado	0	0	0	0	0	0	1
Florida	0	0	0	0	0	0	2
Georgia	0	0	0	0	0	0	1
Iowa	0	0	0	0	0	0	1
Illinois	0	0	0	0	0	0	1
Maryland	0	0	0	0	0	0	1
New Jersey	0	0	0	0	0	0	1
New York	0	0	0	0	0	0	1
Pennsylvania	0	0	0	0	0	0	2
Tennessee	0	0	0	0	0	0	1
Washington	0	0	0	0	0	0	3
Totals	0	0	0	0	0	0	17

Note:

- (1) We began franchising on December 31, 2004. All numbers are as of the fiscal year end for the referenced year.

**STATUS OF COMPANY-OWNED LIQUID CAPITAL BUSINESSES
AS OF DECEMBER 31, 2005**

We have no company-owned Liquid Capital Businesses in the U.S.

**PROJECTED FRANCHISED AND COMPANY - OWNED OPENINGS
AS OF DECEMBER 31, 2005**

State	Franchise Agreements Signed But Liquid Capital Businesses Not Open	Projected Franchised Liquid Capital Businesses for the 1-year Period After December 31, 2005	Projected Company- Owned Openings for the 1-year Period After December 31, 2005
California	0	3	0
Hawaii	0	1	0
Florida	0	1	0
Illinois	0	3	0
Indiana	0	1	0
Maryland	0	1	0
Michigan	0	2	0
Minnesota	0	1	0
New Jersey	0	2	0
New York	0	2	0
North Carolina	0	1	0
North Dakota	0	1	0
Oregon	0	1	0
Pennsylvania	0	1	0
Rhode Island	0	1	0
South Dakota	0	1	0
Virginia	0	1	0
Washington	0	1	0

State	Franchise Agreements Signed But Liquid Capital Businesses Not Open	Projected Franchised Liquid Capital Businesses for the 1-year Period After December 31, 2005	Projected Company-Owned Openings for the 1-year Period After December 31, 2005
Wisconsin	0	1	0
Totals	0	26	0

We have no franchisees who had a Franchise Agreement terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased doing business under a Franchise Agreement during the most recently completed fiscal year, nor has a franchisee not communicated with us within the 10 week period preceding to the date of this Offering Circular.

ITEM 21 FINANCIAL STATEMENTS

Attached as Exhibit A are our unaudited financial statements for the twelve months ended December 31, 2005, and our audited balance sheet as of December 31, 2004, and the related statements of operations, stockholders equity and cash flows for the 7 months then ended.

ITEM 22 CONTRACTS

Attached to this Offering Circular are the following contracts and their attachments:

1. Franchise Agreement (with exhibits)
2. Participation Agreement
3. Confirmation of Transaction
4. Accord Loan and Security Agreement

ITEM 23 RECEIPTS

Attached as the last 2 pages of this Offering Circular are 2 Receipts. When you receive this Offering Circular, you must sign both Receipts and return 1 to us, retaining the other for your records.