

Franchise Offering Circular
Lite For Life Franchise Corporation, Inc.
A California Corporation
388 Second Street
Los Altos, CA 94022
(650) 941-3200



*Redlined
copy*

You, as our Franchisee, will operate a weight loss center using a proprietary diet that has been proven effective for over 25 years. Your key services are providing your dieters with a nutritional and behavioral approach to lifetime weight management specializing in blood sugar stabilization and sugar addiction avoidance through private daily counseling and nutrition education, along with the sale of daily nutritional supplements and fresh and frozen food products to be used in conjunction with a diet designed to achieve permanent weight loss.

The initial franchise fee is \$22,500. The initial franchise fee is payable upon signing the Franchise Agreement. There are no refunds.

The estimated initial investment required ranges from \$60,472 to \$124,800. See item 7 for specifics.

THE FRANCHISE AGREEMENT REQUIRES THAT ALL DISAGREEMENTS BE SETTLED BY ARBITRATION ONLY IN LOS ALTOS, CALIFORNIA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR HOME STATE.

THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Information about comparison of franchisors is available. Call the state administrator listed in Exhibit D or your public library for sources of information.

Registration of this franchise with the state does not mean that the state recommends it or has verified the information in this offering circular. If you learn that anything in this offering circular is untrue, contact the Federal Trade Commission and/or State authority.

Effective Date: _____

California:

(2/9/03) (2/10/03) (2/16/03) (2/17/03) (2/18/03) (2/24/03) (2/25/03)
(2/26/03) (2/27/03) (3/21/03) (3/24/03) (3/25/03) (4/3/03) (4/14/03) (4/15/03) (4/16/03)
(6/24/03) (7/18/03) (8/24/03) (3/29/04) (9/27/04)

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Exhibits

- A Franchise Agreement
- B Financial Statements
- C Directory of State Administrators and Agencies
- D California Appendix
- E List of Negotiated Sales
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9-29-04

Item 1

THE FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

To simplify the language in this offering circular, "we" means the Franchisor, Lite For Life Franchise Corporation, Inc. "You" means the person who buys the franchise. Lite For Life Franchise Corporation, Inc., is a California corporation incorporated on April 7, 2003. It does franchising business using its trademark "Lite For Life". We have no predecessor or affiliate. Our principal business address is ~~1199 Howard Ave. Suite 102388~~ Second Street, Burlingame, Los Altos California -94042.

Our agent for service of process in this state is the Commissioner of Corporations, 320 West 4th Street, Suite 750, Los Angeles, California 90013-2344 and Christopher P. Bruno, 2107 Ensenada Way, San Mateo, CA 94403.

Our franchisees are independent operators of weight loss centers. You, as our Franchisee, will operate your weight loss center using a proprietary diet that has proven effective for over 25 years. Your key service is to provide your dieters with a nutritional and behavioral approach to lifetime weight management with specialization in blood sugar stabilization and sugar addiction avoidance through private daily counseling and nutrition education along with the sale of daily nutritional supplements and fresh and frozen food products to be used in conjunction with a recommended diet designed to achieve permanent weight loss. You will receive comprehensive training that will enable you to provide a complete permanent weight loss service to your dieters. You will sell nutritional supplements and food products in conjunction with the individual diets. The service mark "Lite For Life" and other of our trademarks, logos, designs and systems distinguish your business.

Maureen and Howard Sullivan founded and are the sole owners of Lite for Life, Inc., a California corporation incorporated on December 20, 1991, which presently operates ~~"Lite For Life" weight loss centers in Burlingame and Los Altos, California. In addition to these two "Lite For Life" weight loss centers, Maureen's daughter, Elizabeth Schermercenter in Burlingame, California. In addition to this "Lite For Life" weight loss center, Maureen's son, Christopher Bruno, operates a "Lite For Life" weight loss center in Los Altos, CA, Maureen's daughter, Elizabeth formerly operated a "Lite For Life" weight loss center in Redmond, Washington started on September 31WA, 2002 and Maureen's sister has operated a "Lite For Life" weight loss center in San Francisco, California since December 20, 1991. Both~~ All three of these centers have operated under previous oral trademark arrangements from Lite for Life, Inc. ~~It is our intention to offer both parties a franchise agreement after we are registered to sell franchises in California.~~

The market for "Lite for Life" weight loss centers is quite literally growing. As continuously reported and confirmed in the national media for the past several years, obesity and its consequences, especially adult onset diabetes, have reached epidemic proportions in this country. It is now estimated that over 60% of American adults and 20% of the nation's children are overweight. The health costs associated with obesity are now believed to equal those associated with smoking. A recent landmark study reported in the New England Journal of Medicine linked obesity with one out of every six cancer deaths in the United States. Earlier studies have found that excess weight contributes to cancers of the breast and uterus, colon and rectum, kidney, esophagus and gall bladder. This study also linked obesity to cancers of the cervix and ovary, multiple myeloma, non-Hodgkins lymphoma, pancreas, liver, and in men, the stomach and prostate. The flood of irrefutable evidence of the health risks of obesity points to the necessity of attitudes toward being overweight changing much the way attitudes toward smoking have. Lite for Life is poised to profit from this change in attitude.

The diet market is well developed, with a perennial crop of books touting new diet plans as well as numerous weight loss service businesses available to the consumer. Our system is unique in

that it focuses on long-term sustainable changes through personal daily nutrition education and counseling emphasizing blood sugar stabilization through the consumption of real foods.

Your competition includes such national chains or franchises as Weight Watchers, a group support meeting based program with some online dieting information; Jenny Craig, a lifestyle based program focusing on a low fat diet with weekly counseling and a mandatory purchase of prepared foods and, Diet Center, Inc., part of a health oriented conglomerate offering a diet based on nutritional supplements and daily counseling coupled with fabricated foods such as meal replacement shakes and bars and fat burning thermogenic pills. In addition, most local markets support independent medically supervised weight loss clinics as well as weight loss "boutiques" offering services as hypnotherapy, guided meditation, cellulite endermologie, acupuncture and herbs.

We have not offered or sold franchises of the type to be operated by you prior to registering in California. We have no predecessor or affiliate. We have not offered or sold franchises in any other line of business and are not engaged in any other business activity. We do not operate the type of business being franchised but our founders and their families have extensive experience as described below.

Item 2

BUSINESS EXPERIENCE

~~**HOWARD A. SULLIVAN: CHAIRMAN OF THE BOARD AND DIRECTOR:**~~

~~Howard A. Sullivan has been Chairman of the Board of Lite For Life Franchise Corporation, Inc. located in Burlingame, California since the inception of the corporate entity on April 7, 2003. He is responsible for the guiding the board in the creation of the franchise business and in its execution. Howard has held the position of Vice President of Lite For Life, Inc. since 1991 and has been involved in the weight loss business since 1986. Previously, Howard was in medical equipment sales with Foremost McKesson, Whitaker General Medical, and Will Ross, Inc. Howard attended Stanford University before enlisting in the Army in World War II. Assigned to the Army Air Corps of the 3rd Army under General Patton, Howard was a fighter pilot in the Mediterranean Theatre, leaving the service with the rank of Captain.~~

~~**MAUREEN A. SULLIVAN: CHIEF EXECUTIVE OFFICER AND DIRECTOR:**~~

~~Maureen A. Sullivan has been President and Director of Lite For Life Franchise Corporation, Inc. since the inception of the corporate entity on April 7, 2003. Maureen also is President of Lite For Life, Inc. a California corporation, and has held that position since its incorporation on December 20, 1991. She has been a weight loss professional since 1978. Maureen has a BA from Seattle University, a Masters in Education and is a Certified Nutrition Consultant~~

~~**CHRISTOPHER P. BRUNO: PRESIDENT, CEO AND DIRECTOR CHAIRMAN OF THE BOARD**~~

~~Christopher P. Bruno has been President of Lite For Life Franchise Corporation, Inc. since the inception of the corporate entity on April 7, 2003. He was appointed Chief Executive Officer and Chairman of The Board in 2004. Chris was Vice President, Sales, at Full Degree in Palo Alto, CA from April of 2002 to May of 2003, Vice President of ISV Sales at Avasta, Inc. from November of 2001 to April of 2002. From June 1995 to November 2001 he managed and consulted to CTI Solutions, a company he founded. Prior to that he was Vice President, Sales~~

at Scale Eight from January 2001 to July 2001 and Director, Sales at Scient from May 1999 to January 2001. Chris opened his first weight loss center in Santa Barbara, CA in 1983. He has an BA in English from Santa Clara University.

EDWARD T. KENNEDY, COO, AND VICE PRESIDENT, OPERATIONS AND FINANCE, DIRECTOR:

Edward T. Kennedy has been Vice President Operations and Finance of Lite For Life Franchise Corporation, Inc. since July 15, 2003. Previously, Ed was Vice President, Channel Sales for Navisite, Inc. from November 2001 to June 2003, where he managed Accenture and other key outsourcing relationships. From June 2001 to November 2001 Ed consulted to start-up high-technology companies. Prior to that he was Director in the Telecommunications Business Unit at Scient Corporation in San Francisco from July 1999 to June 2001. He held various Sales and Marketing Management roles at IBM from 1995 to July 1999, and was a Senior Consultant at Price Waterhouse from 1989 to 1994, where he earned his CPA. Ed graduated from the University of Notre Dame with a BBA in Accounting and minor in Psychology, and from Stanford University Graduate School of Business with a Masters in Business Administration.

~~KATHLEEN MAUREEN M. BRUNO, VICE PRESIDENT, BUSINESS DEVELOPMENT, DIRECTOR:~~

~~Kathleen M. Bruno has been Vice President, Business Development~~
A. SULLIVAN: CHIEF NUTRITIONIST AND DIRECTOR:

Maureen A. Sullivan was President and CEO of Lite For Life Franchise Corporation, Inc. since the inception of the corporate entity on April 7, 2003. ~~From June of 1999 to April of 2003, she was with Ariba, Inc., where she closed the single largest software sale by a sales representative, and from 1994 to 1999 she worked on Wall Street for Sybase, Inc. selling to financial institutions. Kathleen previously managed her own weight loss center in Millbrae, CA. She holds a BA in Psychology from Santa Clara University and for her Masters Degree in Counseling Psychology, her practicum was performed at Stanford University's Center for Disease Prevention. Kathleen was honored by Mercy Burlingame High School with The Founder's Award of "Alumna of the Year" in 2002. She accepted the position of Chief Nutritionist in 2004. Maureen also is President of Lite For Life, Inc. a California corporation, and has held that position since its incorporation on December 20, 1991. She has been a weight loss professional since 1978. Maureen has a BA from Seattle University, a Masters in Education and is a Certified Nutrition Consultant~~

LYNN M. BRUNO, SECRETARY AND TREASURER

Lynn M. Bruno has been Secretary and Treasurer of Lite of Life Franchise Corporation Inc. since the inception of the corporate entity on April 7, 2003. From July 1998 to April 2003 Lynn divided her time between parenting her two school-age children and providing Public Relations consulting to The Volunteer Center of San Mateo County from May 1999 to May 2000, working in her own business, Lynn Bruno Hand Painted Finishes, from July 1989 to July 1999, and founding and directing the Amigos School-based Mentoring Program at Fiesta Gardens International School in San Mateo from May 2000 to the present. She began her career as an editor and writer for The Wall Street Journal and has a BA in English from Santa Clara University.

~~ELIZABETH A. SCHERMER, VICE PRESIDENT, COUNSELING EDUCATION:~~

~~Elizabeth A. Schermer~~ has been Vice President, Counseling Education, of Lite For Life Franchise Corporation, Inc. since the inception of the corporate entity on April 7, 2003. Liz owns and operates the Redmond, Washington Lite for Life, which she opened in September

~~2002. From July 1998 to September 2002 Liz divided her time between parenting her two school aged children and volunteering in Redmond, Washington at Evergreen Hospital, St. and Jude's Catholic Church, and founding a Service Club to assist the elderly. Liz previously managed the Burlingame Lite For Life for a period of ten years. Liz holds the all-time rebounding record for men's and women's basketball at Santa Clara University. She holds BA in Psychology and a Masters in Counseling Psychology. Liz owns and operates the Redmond, Washington Lite for Life.~~

Item 3

LITIGATION

No litigation involving a predecessor, or a person identified in Item 2 is required to be disclosed in this offering circular.

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

You will be required to pay \$202,000500. This initial franchise fee is payable upon signing the Franchise Agreement. There are no refunds.

Item 6

OTHER FEES

Name of fee	Amount	Due Date	Remarks
Service Fee	5% of gross	On or before the 7 th day after the close of each calendar month based on "gross sales" for the previous month.	The term "gross sales" is defined to include all sums or things of value received or receivable by you in and from the business from all sales of goods, products and services whether for cash, check, credit or otherwise without reserve or deduction for inability or failure to collect same including, without limitation, such sales and services where the orders thereof originated at or accepted by you at one location but delivered or performance thereof made from or at any other

			location. Gross sales do not include rebates, promotional sales coupons or refunds to customers or the amount of any sales taxes or any similar taxes that you might be required to and do collect from customers to be paid to any federal, state or local taxing authority. All such items including non-collectible accounts which are claimed as deductions to gross sales must be supported by proper documentation in accordance with the operating manual provided by us to you.
Name of fee	Amount	Due Date	Remarks
Local Operating Advertising and Promotional Fee	\$1,000 per month (Additional \$2,000-500 also to be spent within 60 days of opening)	Commencing from the first date that you open for business.	You must prove that you have spent this amount each month.
Transfer Fee	\$4,500	Upon any assignment, sale or transfer of the franchise.	Fee covers the cost of training and transfer including credit checks, legal work etc. No charge if franchise is transferred to a corporation owned by you, to a trained and qualified family member or another franchisee in the system.
Renewal Fee (Subject to Consumer Price Index)	\$1,000	Upon renewal	Should the Consumer Price Index (CPI) that is based on the annual inflationary rates in your territory increase, your Renewal Fee may be increased as compared with the year of opening of your franchise by the same increased CPI percentage.
Additional Training Fee	Prevailing, reasonable per diem rates for training personnel at home office or requested at site training.	Prior to the training	Annual seminars as we deem necessary with travel, lodging and meals at your cost.
Audit Fee	Cost of Audit	As incurred	We reserve the right to audit you

	plus interest at the maximum legal rate of interest allowed by law from date of underpayment.		at least once a year at your cost if the audit reveals a discrepancy of 2% or more. Payable only if you understate by at least 2% of what is due. Late payments bear legal rate of interest allowed by law.
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All monies are payable directly to us and are non-refundable except that local advertising amounts are payable directly to the media providers.

You should consult items 8 and 9 for any other fees of this nature.

Item 7

INITIAL INVESTMENT

Description	Amount	Method of Payment	When Due	To Whom Payment To Be Made
Non-refundable Initial Franchise Fee	\$202,000500	Cashier' s Check	On signing of franchise Agreement.	Us
Leasehold improvements (1)	\$1,700 to \$20,000	Progress payments until completed	By agreement	General Contractor
Telephone and fax; Computer Equipment; Visa machine; additional scales;	\$2,350 to \$7,000	Lump sum	Prior to opening	Dealer
Furniture	\$2,000 to \$5,000	Lump sum	Prior to opening	Dealer
General Liability insurance (per month)	\$300 to \$500	Quarterly	Prior to opening	Insurance agent
SSI/Medicare/Workers Compensation Insurance	\$129 to \$1,000	Quarterly	Prior to opening	Gov' t agency; Insurance agent
City business license	\$100 to \$500	Lump sum (renewable annually)	Prior to opening	City
Initial Inventory (perishable and non perishable) and operating supplies (office supplies, stationery, brochures) (2)	\$3,500 to \$5,500	Lump sum	Prior to opening	Vendor

Description	Amount	Method of Payment	When Due	To Whom Payment To Be Made
Signage with permits (Interior and exterior strip mall)	\$250 to \$7,500	As required by vendor	As required by vendor	Sign vendor
Rental Per Month (approximately 1,200 square feet.)	\$1,200 to \$3,500	In full	Monthly	Landlord
Security Deposits (Usually 1 st & last months rent) including lease, utilities.	\$3,300 to \$8,000	Lump sum	As required	Landlord, Utility, Licensor, etc.
Utilities & equipment lease deposits	1,000 to \$2,500	Lump sum	As required	Utility, Licensor etc.
Freezer and refrigerator leases; utilities; truck rental; 4 telephone lines + toll; postage; bottled water; insurance; (per month)	\$2,343 to \$8,500	Lump sum	Monthly	Licensor etc
Professional fees; bookkeeping; 1 employee (monthly)	\$300 to \$1,800	Lump sum	Monthly	Professional & bookkeeper
Miscellaneous Pre-Opening Costs (travel and living expenses while training; permits; organizational expenses (3)	\$1,500 to \$4,000	As required by vendor	As incurred	Vendors etc.
Initial Grand Pre-Opening Advertising Requirement	\$ 3,500	As required by vendor	As incurred	Media
Advertising (magazines; yellow pages)	<u>\$2,000</u> to <u>\$6,000</u>	Lump sum	Monthly	Media

Description	Amount	Method of Payment	When Due	To Whom Payment To Be Made
Additional Funds to commence or continue operation for 3 months, i.e., working capital etc. (2,3)	\$12,500 to \$17,500			

ESTIMATED TOTAL INITIAL INVESTMENT: \$60,472 to \$ 124,800 (4)

The sources listed above are amounts to be supplied from your own funds.

No allowance has been made for inflation, debt service or interest payment on borrowed money but you should consider this particularly if part or all of your startup costs are to be financed.

Notes:

- 1 Please note that if you are able to wholly or partially able to finance the entire leasehold improvements and/or the initial inventory, the initial cash requirements will be reduced by the amounts financed but the monthly interest and principal debt service must be calculated in its place according to the terms of the lender. Additionally, on occasion, some or all of the tenant improvements may be paid by the lessor of the property. If fixtures, furniture, and or equipment is rented or leased, the amount of the minimum and maximum initial cash requirement may be decreased depending on local terms.
- 2 Working capital does include wages for one (1) employee(s) but no draw or compensation for the Franchisee owner.
- 3 This estimates your initial start up expenses. These expenses do include payroll costs for one (1) employee(s). These figures are estimates and we cannot guarantee that you will not have additional expenses starting your business. Your costs will depend on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our service; the prevailing wage rate; competition; and the sales level reached during the initial period.
- 4 We relied on over 25 years of experience of our Chief Nutritionist in the weight loss profession to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

We do not offer direct or indirect financing to franchisees for any items.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We nor any affiliate has revenues from the sale or lease of any products or services and therefore, there are no representations can be made by us as to a percentage of our

franchisees' total purchases from us as compared to our total revenues for the last fiscal year. Our fiscal year ends every ~~March 31st~~ June 30th. To the extent known or estimable, we estimate that your purchases and leases of all goods, services, supplies, fixtures, equipment, or inventory that you must purchase from us in relation to all of the purchases of goods and services that you will make or enter into for the establishment and operation of the franchise will be approximately 10% or less of your overall purchases in operating your franchise.

We are the designated supplier for diet supplements, paper forms and dieting booklets at this time. Any scales in addition to the two (2) digital scales that are provided to you by us as part of your initial franchise fee must be purchased from a supplier approved by us and must include professional assembly and calibration. At this time, we are the only approved supplier for the nutritional supplement used in conjunction with the conditioning and reducing diets.

All Franchisees will be required to purchase or lease a commercial freezer and refrigerator with glass front doors from suppliers approved by us in writing. In the event that you believe that any such product of an equal quality can be purchased at a lower price, you must present us backup studies and data indicating the price of such items and the quality characteristics. Our sole testing procedures determine whether such items equal or exceed the quality and price reasonableness over the items purchased from us. Our review typically is completed in 60 business days.

If you desire to purchase any products including supplements and food, services, equipment and materials from someone other than our designated supplier, you must submit a complete description of the history and credit rating of the supplier and the items you wish to purchase. You also must supply us with specifications and tests which will prove to our sole satisfaction that the products, equipment and materials are of equal or superior quality to those which we or our designated supplier may offer for sale to you at what we feel are competitive prices and the supplier's ability to stand behind the supplier's product warranty which must meet or surpass that of our then current designated supplier. We also require you to submit proof that the product meets USDA and FDA regulations pertinent to the type of product submitted, and the name, address, history and ownership of the provider along with your brief business analysis of the cost, retail pricing, inventory requirements, needs justification, break even point, and marketing sales plan for the product. Suppliers of food, vitamins and nutritional supplements also will be evaluated by compliance with appropriate USDA and FDA regulations for the type of food that you wish to provide, i.e. approved kitchen products, etc. Product ingredients will be evaluated by Maureen Sullivan, Certified Nutrition Consultant, for healthfulness and appropriateness for the particular diet. In her absence another certified Nutritionist will be designated. We will also evaluate for taste, product appearance and packaging, cost and inventory requirements, as well as the manner in which the manufacturer plans to market the product to other vendors. Six (6) samples of each product should be submitted to us for testing purposes. We will approve or disapprove a prospective supplier according to our complete and final discretion within 60 business days of receipt of your request to purchase from alternate suppliers. We may charge a fee for our time to cover our costs in researching the product. If the product you submit is accepted for sale in your franchise, we will provide written standards and specifications including, but not limited to, sales methods, reporting and documentation, installation methods, etc. We may modify our specifications based on our research and industry changes and we will make this known to you in writing as the changes occur. We also may seek out and test suppliers on our own.

You might have to purchase other trademarked items to be used in the franchised business according to the specifications set forth by us in the operating manuals from time to time. We formulate and modify our specifications and standards for products and services through observations and testing that are made available to you. We may develop a purchasing cooperative in the future in which you may be required to participate. We have the option to drop any supplier from our approved list. You must notify us in the event you discover that any supplier has dropped a service or product. We will provide you with a list of our approved

suppliers after you have satisfactorily completed your initial training.

Our total revenue from all sources ending in fiscal year end of June 30, 2004 was \$_____. Accordingly, the revenues from all required purchase and leases of products and services sold to our franchisees was \$_____0_____ for the same period or _____0_____ % of total revenues.

We do not derive income from purchases that you make from approved suppliers. We do not now receive but reserve the right to receive rebates or promotional fees in the future from approved suppliers from whom you may purchase products. These fees may be used by us to defray overhead costs and for advertising at our sole discretion. We do not derive direct income from rebates. These fees may or may not be credited to you for any fees owed to us at our sole discretion. You are not required to purchase from suppliers that give rebates or promotional fees to us. However, it may be beneficial for you and other franchisees to purchase from this type of vendor. We do not provide renewals, grant additional franchises or bestow any other material benefits to our franchisees based on a franchisee's use of a designated or approved source of supply.

You must purchase an IBM compatible computer running a current version of Windows and possessing a CD-ROM or DVD drive, modem or DSL connection and printer with fax capabilities. Internet Service Provider (ISP), anti-virus software, internet browser and e-mail provider to be approved and compatible with our existing network systems. Current versions of QuickBooksPro and Microsoft Office software and one (1) database program for tracking client information is required. You will update your software and hardware as we update ours and additional software may be required from time to time.

You may only offer such services and sell products designated by us in writing in order to be consistent with our theme. We will loan you a Confidential Business Operations Manual that will contain specifications and parameters developed by us including signage, advertising, personal appearance of personnel, location, size and appearance of location, product display, etc., which you must strictly follow. Modifications to specifications, grants and revocation of supplier approval will be issued by mail as required.

We reserve the right to designate or consent to the content, themes, materials and placement of all advertising programs by you which must be tailored to your local market and without inappropriate or misleading content. You must submit all advertising to us for our approval at least five (5) business days before publication (subject to deadlines) unless specifically waived in writing by us as to each particular ad or advertising campaign. Although there are no restrictions on the areas in which you may advertise, we recommend that you concentrate on advertising in your local area as a matter of good business practice.

The site you select must have our written approval both as to the outside and inside as well as decor and appearance as spelled out in more detail in your Business Operating Manual.

Item 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Item In Offering Circular
a. Site Selection and Acquisition/Lease	II (A) (5)	Items 7 & 11
b. Pre-opening purchases/lease	Sections II (A) (1) & (3);	Items 5, 6, 7, & 8
c. Site Development and Other Pre-Opening Requirements	Sections II (A) (5)	Items 6, 7, 8, & 11
d. Initial and ongoing training	Sections II (A) (2), (4) & (5)	Items 6, 7, & 11
e. Opening	Sections II (A) (1), (2) & (3)	Items 5, 6, 7, 8, 9, & 11
f. Fee	Sections III (A) and (C); IV (A), (B) and (C)	Items 5, 6, & 7
g. Compliance with standards and policies/operating manual	Sections II (A) (1), V, VI, and VII (A), VIII, IX	Items 8, 9, 11, 14, 15, 16, & 17
h. Trademarks and proprietary information	Sections I (A), (B), (C) and (D), VII (A)-(C)	Items 13 and 14
i. Restrictions on products/services offered	Sections V (A) and VII (D)	Item 16
j. Warranty and customer service	None	None
k. Territorial development and sales	None	None
l. Ongoing product/service purchases	Section V (I)	Items 8, & 16
m. Maintenance, appearance and remodeling requirements	Section V (H)	Item 9
n. Insurance	Section IX (A)	Item 7
o. Advertising	Sections II B (5), (6); IV (B) (H)	Items 6, 8 and 11
p. Indemnification	Section VIII, IX	None
q. Owner's participation/management/staffing	Section VI	Item 15

Obligation	Section in Franchise Agreement	Item In Offering Circular
r. Records/reports	Section V (B),(C), (D)	None
s. Inspections/ audits	Section V (C) (J)	Item 6
t. Transfer	Sections IV (C); X (A)-(F)	Items 6 & 17
u. Renewal	Sections III (B) (C);	Items 6 & 17
v. Post-termination obligations	Sections X (G)-(K); XI (A)-(D)	Item 17
w. Non-competition covenants	Sections VII (A)-(D)	Item 17
x. Dispute resolution	Section XIII (A), (B), (M)	Item 17
y. Other (describe)	None	

Item 10

FINANCING

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

Item 11

FRANCHISOR'S OBLIGATIONS

Except as disclosed below, we need not provide any other assistance to you.

Before you open your business, we will provide:

1) Operating Manuals We will loan you one or more sets of the franchise operating manual that specifies the guidelines for site selection, decor, signage, fixtures, inventory, supplies, names of approved suppliers, suggested budgets, pre-opening advertising guides, operational techniques, financial and accounting information, marketing plans and other items and procedures relevant to the operation of the franchised business. All of our manuals are considered confidential trade secrets. This manual is confidential and remains our property. We will modify and upgrade this manual as the occasion warrants but the modification will not alter your status and rights under the Franchise Agreement. (Franchise Agreement - Paragraph II. A.1.)

2) Initial Franchise Training. Within 10 to 60 days of your signing the Franchise Agreement, we will provide a minimum of 25 hours of training in the management and operation of the

franchised business. You must attend and successfully complete the training prior to the opening of the franchised business. The training will be conducted at our main office or at the location of our choice. The training schedule outlined below will cover all aspects of the franchise operation including but not limited to:

- (1) Nutrition Fundamentals
- (2) Handling inbound calls about the diet
- (3) Types of Dieters
- (4) Fluctuating Blood Sugar
- (5) Handling Difficult Dieters
- (6) Marketing
- (7) Local Advertising
- (8) Vendor Negotiation
- (9) Community Involvement
- (10) Newsletters, Specials, PR & Buzz
- (11) Inventory, vendors, and suppliers.
- (12) Time Management
- (13) Competition

SUBJECT	TIME BEGUN	INSTRUCTIONAL MATERIAL	HOURS CLASS ROOM TRAINING	HOURS OF ON THE JOB TRAINING	INSTRUCTOR
Weight Loss Industry	8 A.M. Day 1	Handouts	3	4	Staff
Fluctuating Blood Sugar	8 A.M. Day 2	Handouts, Books provided	5	2	Maureen
Dieting Behavior	8 A.M. Day 3	Manual	4	3	Maureen
Telephone Sales	8 A.M. Day 4	Audio.	2	5	Staff
Diabetes, Eating Disorders, etc.	8 A.M. Day 5	Manual, Handouts	7	0	Staff
Community Involvement	8 a.m. Day 6	Handouts	5	2	Staff
Vendor Negotiation	8 a.m. Day 7	Books Provided	4	0	Staff

This training is included in the franchise fee. You must pay all of your living expenses and travel, lodging, and sustenance. All training occurs at our Los Altos or Burlingame, and Palo Alto, CA centers or a designation of our choice and the initial training is mandatory. Initial training is for one owner/manager and one other employee. Any additional employees or persons to be trained will be charged a per diem training instructor's fee of \$200 per instructor. This charge is subject to consumer price increases based on annual rates as determined by the applicable CPI (Consumer Price Index) for your territory covering the inflationary price increases as compared with the year of opening of the Franchise.

Additional training will be conducted as we deem necessary. (Franchise Agreement-Paragraph II A 2)

It is at our sole discretion as to whether or not you have successfully completed the initial

training program or any subsequent training program.

Subsequent training classes, both mandatory and non-mandatory, will be offered from time to time at our discretion, with you required to bear all costs of travel to and lodging and sustenance at the training sites. (Franchise Agreement - Paragraph II A 2)

3) Initial Supplies. We will provide initial supplies of proprietary and confidential materials. (Franchise Agreement - Paragraph II. A.3.)

4) Additional Trainees. Training is for one owner/manager and one other employee. Any additional employees or persons to be trained will be charged a per diem training instructor's fee of \$200 per instructor. This charge is subject to consumer price increases based on annual rates as determined by the applicable CPI (Consumer Price Index) for your territory covering the inflationary price increases as compared with the year of opening of the Franchise. (Franchise Agreement - Paragraph II. A.4.)

5) Territorial And Site Assistance. We will advise you in obtaining the necessary demographics including number of people in your territory and assist you locating your site. (Franchise Agreement - Paragraph II.A.5.)

During the operation of the franchised business, we will:

1) provide, according to the extent required by us, in our sole judgment, a continuing advisory service which shall include consultation on promotional, business or operations problems and analysis of your services, sales, marketing and financial data at times and places and to the extent designated by us. (Franchise Agreement - Paragraph II. B.1.)

2) provide from time to time a list of updated suppliers or manufacturers of supplies and products approved, but not purchased from us. (Franchise Agreement - Paragraph II. B.2.)

3) provide you with evaluations of sources of supplies and products recommended by you for use in the franchise system. (Franchise Agreement - Paragraph II. B.3.)

4) develop institutional public relations, advertising and promotional campaign designed primarily to benefit and assist all franchisees and to promote and enhance the value of all of our franchisees where possible. (Franchise Agreement - Paragraph II. B.4.)

5) supervise the advertising in accordance with our advertising standards. Any dispute regarding the direction of advertising between us and you will be resolved on the following basis: All advertising is to bring name recognition first to our national prominence, and secondly, to our franchisee in any individual area. (Franchise Agreement - Paragraph II. B.5 and 6.)

6) provide you with a uniform system of accounting and record keeping including standardized forms. (Franchise agreement - Paragraph II. B.7.)

7) provide subsequent training classes, both mandatory and non-mandatory, offered from time to time with you required to pay all costs of travel, lodging and sustenance. Mandatory trainings will not be held more than twice a year. If you request special training, and we agree, a charge for the instructor(s) may be added. (Franchise Agreement - See Paragraph II. B.8.)

The Table of Contents of our Confidential Operation Manual as of our last fiscal year end including the number of pages devoted to each subject is as follows:

Lite for Life History and Philosophy	5 pages
The Lite for Life Weight Management Program	73 pages

Telephone Sales	50 pages
The Initial Consultation	25 pages
Marketing Your Center	68 pages
Partners in Profit	11 pages
Center Management	29 pages
Business Management	5 pages
Personnel Leadership	8 pages

Our instructors have a minimum of 5 years experience in this business.

Franchisees must open their business within 1 to 3 months after signing their franchise agreement or first payment. The factors that affect the selection of your site within your territory include the square footage and layout, potential for signage, ample parking, easy access, appearance of building, lease terms, improvements etc.

It normally takes us 10 days to approve your requested territory.

Factors that may affect the time period in your opening schedule include financing availability, and delays in equipment and/or inventory delivery.

There is no advertising council or a co-op advertising group at this time. If we decide to form a co-op advertising group of franchisees with our stores, we and all franchisees will contribute equally with us as the administrator under written governing documents made available to all. Monthly accounting of the funds will be made. None of these funds will be used for the solicitation of franchisees. (Franchise Agreement, Paragraph IIB-9).

Item 12

TERRITORY

The size of your exclusive territory is determined primarily by a population of at least a minimum of 25,000 middle-income persons living within an acceptable radius that would allow for daily visits by the dieter unless demographic constraints naturally limit this number. The map attached to the franchise agreement shows the agreed upon boundary outlined in red for contract purposes.

You are granted a designated territory wherein only you will have a center and where we cannot open or operate a similar operation or appoint a franchised operation to operate a location within this designated area for the purpose of servicing customers.

There is no minimum sales quota, market penetration, or contingency requirements that would alter your territory. You maintain the same rights to your area even if the population increases or decreases.

Item 13

TRADEMARKS

You have the right to operate your business under the principal service mark "LITE FOR LIFESM" trademark that identifies your business. A "LITE FOR LIFE" service mark registration application was filed on February 19, 2003 with the United States Patent and Trademark Office

(USPTO Serial Number 76/490,528.). The mark was approved for publication for opposition in the Official Gazette on 6-28-2004.

By not having a Principal Register federal registration for "Lite For Life", do not have certain presumptive legal rights at this time granted by registration for this mark. By "trademarks", we mean trade names, trademarks, service marks and logos used to identify your weight loss center.

You must follow our rules when you use these marks. You cannot use a name or mark as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use our registered name in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

No agreements limit our right to use or license the use of our trademarks. You are restricted to use the name and service mark in your dba in such a format and with such a suffix or prefix as the law and/or we may, from time to time, designate including such designations as "LITE FOR LIFESM of _____" and to indicate the required trademark, service mark or copyright notices in the form specified by us.

You must notify us immediately when you learn about an infringement of or challenge to your use of our trademark. We will take the action we think appropriate. While we are not required to defend you against a claim against your use of our trademark, you must notify us immediately when you learn about the infringement or challenge. However, we may take over the defense of such claim and settle it as we think fit.

You must modify or discontinue the use of a trademark if we modify or discontinue it. If this happens, we will reimburse you for your tangible costs of compliance in such matters as the reasonable cost of changing your exterior signs only. You must not directly or indirectly contest our right to our trademarks, trade secrets or business techniques that are part of our business. We do not know of any infringing uses or litigation that could significantly affect the ownership or use of our principal trademark.

There are no currently material determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, the Trademark Administrator of this State or any court; pending infringement, opposition or cancellation; and pending material litigation involving the principal trademarks. We do not know of any infringing use or litigation that could significantly affect the ownership or use of a principal trademark.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the franchise. We presently have proprietary rights in numerous items, such as advertising designs and the like relating to the operation of our business which are suitable for copyright protection. We reserve to ourselves or our designee any and all rights which we have in and to such items. We may, in our sole discretion, obtain copyright registrations for any unregistered items.

Although we have not filed an application for a copyright registration for the Operations Manual, we claim a copyright and the information is proprietary. Item 11 describes limitations on the use of this manual by you and your employees. You must also promptly tell us when you learn about unauthorized use of this proprietary information. We are not obligated to take any action but will respond to this information as we think appropriate.

Item 15

**OBLIGATION TO PARTICIPATE IN THE
ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

You, if a sole proprietor or the principal owner or owners of the Franchise (if a partnership or corporation is the franchisee) are required to personally supervise the direct operation of the franchised business for at least thirty (30) hours per week divided equally between all locations owned. Franchisees are prohibited from the delegation of operational responsibility of the franchised business to any other person except as may otherwise be set forth in a written agreement between us and you or approved in writing by us. Only qualified, trained citizens meeting our standards of experience and background may be hired by you and you are responsible to see that your employees and independent contractors sign confidentiality agreements enforceable in your state. Preferably, the facility should be supervised by personnel that have participated in the program successfully. Minimum hours of operation for the business are Monday to Friday: 7:00 AM to 12 Noon; 3:30 PM to 5:30 PM and Saturday 9 AM to 12 Noon.

The shareholders of a corporate franchisee must sign the franchise agreement individually assuming and agreeing to discharge all of the obligations of the "Franchisee" under the franchise agreement.

Item 16

**RESTRICTIONS ON
WHAT THE FRANCHISEE MAY SELL**

You may sell or offer for sale to the public only prior approved products including supplements and food, goods and services of the kind and quality which comply with the reasonable standards designated in the Operating Manual or by written directives provided by us to you from time to time. You may not use our name, marks or symbols in any business other than the franchised business. All products must be from an approved vendor.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

Provision	Section in Franchise Agreement	Summary
a. Term of the franchise	Section III	10 years from time you commence business

Provision	Section in Franchise Agreement	Summary
b. Renewal or extension of term	Section III	You can renew for unlimited additional 5 year periods providing: (1) you are not in default or in violation of the Franchise Agreement or any other agreement with us, and (2) upon execution of the then current Franchise Agreement under the terms in effect at that time including new royalty rates, advertising fees, etc., with the exception that the length of term or renewal shall not change nor your territory. We may refuse to renew the Franchise Agreement if you are in default or violation of your Franchise Agreement and/or fail to execute the then current Franchise Agreement. The renewal fee charged to you by us is estimated at \$1,000 to cover our legal fees, administrative and overhead cost associated with the renewal. The Renewal Fees are subject to Consumer Price Index increases based on annual inflationary rates as determined by applicable CPI in your territory.
c. Requirements for you to renew or extend	Section III	Sign new agreement, pay fee and good standing.
d. Termination by you	Section X (K) (1) & (2)	With our consent or for cause with 30 days to cure.
e. Termination by us without cause	None	
f. Termination by us with cause	Section X (G)	We can terminate only if you default or are in default.
g. "Cause" defined- defaults which can be cured	Section X	You have 30 days to cure: (a) attachments; (b) adverse business conduct; (c) defaults between us; (d) unapproved assignment; (e) failure to pay after 5 days notice; (f) guarantor default; (g) failure to cure franchise agreement default within 10 days after notice; (h) failure to pay or conduct a required audit after 10 days notice; (i) non-submission of reports; (j) failure to follow directives or attend mandatory training; (k) failure to work 30 hours per week (l) failure to keep true and correct business records and books or to open same for inspection or provide us with tax returns; (m) failure to maintain fixtures etc.; (n) failure to maintain confidentiality; (o) failure to operate a weight loss center outfitted to our specifications; (p) failure to purchase from approved vendors; (q) failure to participate in any approved purchasing or distribution cooperative or purchase required equipment.

Provision	Section in Franchise Agreement	Summary
h. "Cause" defined - defaults which cannot be cured	Section X (G)	Non-curable defaults: (a) you file any form of bankruptcy; (b) you abandon your franchise by failing to operate the business for 5 consecutive days or by mutual written agreement; (c) you make any material misrepresentations relating to the operation of the franchise; (d) you, for a period of 10 days after notice, fail to comply with any federal, state or local law or regulation; (e) you, after curing any failure in accordance with the franchise agreement, engage in the same non-compliance whether or not such non-compliance is corrected after notice; (f) you repeatedly fail to comply with one or more requirements of the franchise whether or not corrected after notice; (g) the franchise business or business premises are seized, taken over by government or foreclosed by a creditor; (h) you are convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise; (i) you fail to pay any franchise fees or other amounts due us or our affiliate within 5 days after receiving written notice that such fees are overdue; and (j) we make a reasonable determination that the continued operation imminent danger to public health or safety.
l. Your obligations on termination/ non-renewal	Section XI	You will promptly and immediately cease using our trade names, service marks or trademarks and will cease identifying yourself as a member of our system; will forthwith cease operating a franchise; will promptly remove all signs bearing our names and identification; will cause any registration of said names to be cancelled or withdrawn or in the alternative, if requested by us will assign such registered names to us or our nominee; will return to us or our representatives immediately upon written demand, all customer lists, records and books of account pertaining to your business and all training films, forms, materials, and manuals belonging to us or bearing our name or service mark with delivery being made directly to us or our authorized representatives. You will immediately cancel all telephone listing, yellow page ads and discontinue the use of any telephone numbers used in conjunction with the franchise business. However, upon our written request, you will assign said telephone numbers to us or our designee and will use your best efforts to secure the cooperation of the telephone company in assigning such numbers to us or our designees.
j Assignment of contract by us	Section XIII (K)	No restriction on our right to assign
k. "Transfer" by you - definition	Section X (A to F)	Includes transfer of contract and/or assets or ownership change

Provision	Section in Franchise Agreement	Summary
l. Our approval of transfer by franchisee	Section X	We have reasonable right to approve
m. Conditions for our approval of transfer	Section X	New franchisee qualifies, transfer fee paid, purchase price paid by franchisee; agreement signed by new franchisee (also see r, below)
n. Our right of first refusal to acquire your business	Section X (A), (B), & (C)	We can match any offer for the franchisee's business
o. Our option to purchase your business	Section X (A),(B), &(C)	We have the right of first refusal to your business except for transfers to approved issue and/ or spouse exercisable within 30 days. We can purchase anytime you attempt to transfer.
p. Your death or disability	Section X (A) (1) (2)	The franchise must be assigned by the estate to approved buyer in 6 months
q .Non-competition covenants during the term of the franchise	Section VII (A) (D)	You can not operate similar business
r. Non-competition covenants after franchisee is terminated	Section VII (B)	No competing business for 3 years following termination within 50 miles of another franchisee
s. Modification of the agreement	Section XIII (D)	None
t. Integration/ merger clause	Section XIII (D)	Only the terms of the of the agreement are binding (subject to State law). Other promises may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section XIII	Except for certain claims, all disputes arbitrated and mediated in <u>Los Altos, California</u> before AAA or FAM
v. Choice of forum	Section XIII(M)	Litigation must be in California
w. Choice of Law	Section XIII(N)	California laws applies

States having a law or laws concerning termination or non-renewal include Arkansas (Stat. 70-807), California (Bus. & Prof. Code Sections 20000-20043), Connecticut (Gen. Stat. Section 42-113e et seq.), Delaware (Code, tit.), Hawaii (Rev. Stat. Section 482E-1), Illinois (815 IL CS 705/20), Indiana (Stat. Section 23-2-2.7), Iowa (Code Sections 523H.1 - 523.17), Michigan (Stat. Section 19.854(27)), Minnesota (Stat. Section 80C.14), Mississippi (Code Section 75-24-51), Missouri (Stat. Section 407.400), Nebraska (Rev. Stat. Section 87-401), New Jersey (Stat. Section 56:10-1), South Dakota (Codified Laws Section 37-5A-51); Virginia (Code 13.1-557-574-13.1-564), Washington (Code Section 19.100.180), Wisconsin (Stat. Section 135.03). These and other states may have court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. The laws of the applicable state where the franchisee will operate regarding termination of franchises should be checked thoroughly by Franchisee's counsel. **If you are purchasing a franchise in California, please read Exhibit D entitled *California Appendix*.**

Item 18

PUBLIC FIGURES

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

Item 19

EARNINGS CLAIMS

We do not furnish or authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of Actual results vary from unit to unit and we cannot estimate the results of any particular franchise.

Item 20

**LIST OF OUTLETS FRANCHISED
CENTER STATUS SUMMARY FOR LAST
3 FISCAL YEARS
(2004/2003/2002)**

<u>STATE</u>	<u>TRANSFERS</u>	<u>CANCELLED /TERMINATED</u>	<u>NOT RENEWED</u>	<u>REACQUIRED BY FRANCHISOR</u>	<u>LEFT THE SYSTEM OTHER</u>	<u>TOTAL FROM LEFT</u>	<u>FRANCHISES OPERATING AT YEAR END</u>
WASHINGTON	<u>0/0/0</u>	<u>0/0/0</u>	<u>0/0/0</u>	<u>0/0/0</u>	<u>0/0/0</u>	<u>0/0/0</u>	<u>0/0/0</u>
CALIFORNIA	<u>0/0/0</u>	<u>0/0/0</u>	<u>0/0/0</u>	<u>0/0/0</u>	<u>0/0/0</u>	<u>0/0/0</u>	<u>2/0/0</u>
TOTAL	<u>0/0/0</u>	<u>0/0/0</u>	<u>0/0/0</u>	<u>0/0/0</u>	<u>0/0/0</u>	<u>0/0/0</u>	<u>2/0/0</u>

Note: All numbers are as of effective date of this UFOC and as of June 30th for each year thereafter.

The numbers in the "Total" column may exceed the number of franchises affected because several events may have affected the same franchise.

There have been no transfers, cancelled or terminated or not renewed or reacquired franchises by the franchisor.

PLEASE REFER TO EXHIBIT F FOR THE LIST OF FRANCHISEES.

**STATUS OF COMPANY OWNED CENTERS FOR THE LAST 3 FISCAL YEARS
(2004/2003/2002)**

STATES	CENTERS CLOSED DURING YEAR	CENTERS OPENED DURING YEAR	TOTAL CENTERS OPERATING AT END OF YEAR
WASHINGTON	<u>1</u> /0/0	0/ <u>1</u> /0	<u>0</u> /1/0
CALIFORNIA	<u>0</u> /0/0	<u>1</u> /0/0	<u>4</u> /3/3
TOTAL	<u>1</u> /0/0	<u>1</u> /1/0	<u>4</u> /4/3

Note: The above ^{deletion} company stores are owned independently by affiliated family members.

PROJECTED OPENINGS AS OF SEPTEMBER 1, 2004

STATES	FRANCHISE AGREEMENTS SIGNED BUT CENTER NOT OPENED	PROJECTED NEW FRANCHISES NEXT FISCAL YEAR	PROJECTED COMPANY OWNED CENTER OPENINGS IN THE NEXT FISCAL YEAR
ALABAMA	<u>0</u>	<u>0</u>	<u>1</u>
CALIFORNIA	<u>0</u>	<u>3</u>	<u>3</u>
NEVADA	<u>0</u>	<u>1</u>	<u>1</u>
WASHINGTON	<u>0</u>	<u>0</u>	<u>1</u>
TOTAL	<u>0</u>	<u>4</u>	<u>6</u>

Item 21

FINANCIAL STATEMENTS

AUDITED FINANCIAL STATEMENTS IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPALS HAVE BEEN PREPARED FOR THE PERIOD ENDING JUNE 30th 2004 AND ARE ATTACHED TO THIS OFFERING CIRCULAR AS EXHIBIT "B".

Item 22

CONTRACTS

ATTACHED AS EXHIBIT "A" IS A COPY OF THE FRANCHISE AGREEMENT PROPOSED TO BE USED IN THIS STATE.

Item 23

RECEIPT

EXHIBIT G IS A DETACHABLE DOCUMENT PREPARED IN DUPLICATE ACKNOWLEDGING RECEIPT OF THE OFFERING CIRCULAR BY THE PROSPECTIVE FRANCHISEE. YOU MUST SIGN BOTH COPIES. KEEP ONE COPY FOR YOUR RECORDS. PLEASE RETURN THE OTHER COPY TO: ATTENTION: PRESIDENT, LITE FOR LIFE FRANCHISE CORPORATION, INC., 388 SECOND STREET, LOS ALTOS, CA 94022.