

4. A list of our approved suppliers contained in the Materials. [Franchise Agreement, Section 8(j)].

5. An initial pre-opening training program for you and your Manager. [Franchise Agreement, Section 6(c)].

6. Samples of initial opening advertising and promotional materials, forms and other related materials which you may elect to download from our Internet web site, or purchase directly from our approved vendor. [Franchise Agreement, Sections 8(b) and 8(j)].

7. If applicable, we will establish the geographic area of your Granted Territory prior to entering into the Franchise Agreement. [Franchise Agreement, Section 5(c) and Attachment 2].

8. If applicable, we will establish your Minimum Performance Requirements prior to entering into the Franchise Agreement. [Franchise Agreement, Section 5(c) and Attachment 2].

Post-Opening Obligations: We agree to provide the following services and assistance after you open the Business:

1. Direct advice, consultations, and written and/or electronic materials (including updates to the Materials) concerning techniques for the management and operation of the Business, as well as assistance related to your initial marketing campaign. [Franchise Agreement, Sections 6(e) and 8(b)].

2. We will make available to you certain inventory of business forms, signage and decor items at a reasonable, or no, cost to you. [Franchise Agreement, Section 8(j)].

3. As we deem appropriate, on-site opening and post-opening assistance for you, your Manager and staff employees. [Franchise Agreement, Section 6(c)].

4. Additional opening and post-opening training and assistance developed by us. We may require at least one of your Principal Owners, your Manager and other staff employees to attend other training and topic specific seminars that we develop over time. We will provide the instructors and training materials for these programs. We may charge a reasonable fee for the training programs and seminars outside of our standard opening and post-opening training programs. [Franchise Agreement, Section 6(c) and 6(d)].

5. Maintenance and administration of the Ad Fund by us or our designee. [Franchise Agreement, Section 10(c)].

6. We will fund the field employees' payroll and maintain your Distribution Account which will reflect the accumulation of the Billings, Receipts, Chargebacks, Royalties, Adjustments, Ad Fund contributions, charges related to insurance for field employees, and other credits and charges for each weekly cycle. Each week we will submit to you the net positive amount, if any, in your Distribution Account. [Franchise Agreement, Section 9].

7. At your option, we will provide you with our standard Internet Web Site User License Agreement to establish and maintain the Snelling web site for the purpose of maintaining a link to your office from our web site. [Exhibit "H"].

8. If your Franchise Agreement includes rights to a Granted Territory, we will not establish or maintain, or authorize any other person or firm to establish or maintain, a Snelling Business location within your Granted Territory, except as may otherwise be provided by the Franchise Agreement. [Franchise Agreement, Section 5(c)].

9. We will not intentionally and knowingly use, or otherwise divulge or permit access to, any of your confidential pay/bill information for any competitive purpose against you. [Franchise Agreement, Section 11(d)].

10. At the end of the term, if you meet our renewal qualifications, and if you desire to, we will renew the franchise for an additional 10 year term. [Franchise Agreement Section 13].

Advertising:

We, or our designee, will administer and maintain the advertising fund (the "Ad Fund") for the purpose of maximizing recognition and acceptance of the Marks, and to improve the collective success of the System and the services offered by Snelling. The Ad Fund may be used to advertise in various media which may include television, radio, magazine and newspaper advertising campaigns, direct mail, the Internet, and it may be used to promote public relations. The advertising materials, brochures, direct mail pieces and other advertising and promotional materials used in promoting your franchise business are generally produced, developed and sold to you by outside sources and coordinated through our Marketing Department. Advertising materials and media purchases are generally coordinated by outside advertising agency(s) that we or our designee have hired. Public relations activities are administered by our staff working with our outside public relations firm.

The Ad Fund may be used to satisfy any and all, direct or indirect, costs of maintaining, administering, directing, and preparing advertising and marketing devices. Those costs may include: (i) advertising agency fees and the direct cost of preparing and conducting television, radio, magazine, newspaper advertising, and direct mail campaigns; (ii) Internet advertising, Internet software application development, Internet site hosting (including computer hardware, equipment cost and third party telecommunications cost) and maintaining a presence on the Internet; (iii) outdoor billboard advertising; (iv) public relations activities; (v) internal sales incentive contests; (vi) our employee and other departmental costs related to the Ad Fund, (vii) membership in trade organizations for Snelling, and related expenses for attending organization functions; (viii) creating trade show booths; (ix) creating, purchasing and distributing promotional materials to franchisees, customers of franchisees or other third parties; (x) field testing and developing promotional incentives; (xi) conducting marketing research and surveys; (xii) establishing retention programs, including product giveaways; (xiii) franchise sales activities, and (xiv) any other cost and expense related to advertising, promoting and enhancing the image or name recognition of the Snelling brand, System and Network.

Our Franchise Advisory Council ("FAC") was formed by S&S in 1957 and has been continuously maintained since that time. The FAC is currently composed of a Snelling senior executive functioning as a co-moderator, along with a group of 10 franchisees, one of which is designated as President of the FAC (see Attachment "C"). Each FAC member is elected by his/her franchisee peers and each serves for a three (3) year term. The FAC functions in an advisory capacity as well as a communication link between us and the franchisee network. The FAC is organized under written bylaws. The FAC does not set policy for us or the System, and we have the power in our sole discretion to change or dissolve the FAC.

Within the FAC there is a Marketing Committee that is compiled of representation from our company-owned locations, franchise locations and Support Center personnel. The Marketing Committee is used in an advisory capacity only. We direct all advertising funds and advertising programs. We have sole discretion to approve the creative concepts, materials and media used in the programs and their placement and allocation. We are not obligated to spend any amount on advertising in the area where your Franchise Business is located. An annual statement of the operations and expenditures of the Ad Fund are presented to the FAC generally within approximately 90 days following our most recent fiscal year-end. Our fiscal year ends on the last Friday in December of each year.

For our fiscal year ending December 29, 2006, the Ad Fund monies directed by us were spent in the following manner: (a) 30% on local advertising, (b) 20% on public relations, (c) 13% on publications, (d) 24% was reserved for our 2007 marketing efforts, and (e) 13% on national trade associations fees and dues, website development, digital marketing, and other miscellaneous expenses. Monies may not necessarily be spent on the same items or in the same proportion in the future. Although we may do so in the future, we did not spend any of the 2006 Ad Fund monies for the promotion of our franchise sales.

Certain Snelling franchisees operating under franchise agreements provided years ago may not be required to contribute to the Ad Fund or they may have a different Ad Fund contribution requirement. Generally your contribution to the Ad Fund will be an amount equal to 0.5% of your Temporary Help Billings and 2.0% of your Career Billings. Your contribution may differ if you participate in any special program we may offer. We also contribute to the Ad Fund in the same manner for our company-owned offices using the Marks. We encourage, but do not require, our franchisees to establish a local advertising cooperative with other franchisees and company-owned businesses in geographic areas in which two (2) or more Snelling offices are located.

Although the Ad Fund is intended to be perpetual, we may terminate the Ad Fund at any time. The Ad Fund will not be terminated, however, until all monies in the Ad Fund are spent for advertising or promotional purposes. Any amounts paid to the Ad Fund plus any interest earned by the Ad Fund that are not spent in the year the amounts are collected will be retained by the Ad Fund for use in conducting advertising and promotion of the Network and System as described above.

Training:

We provide the instructors and the materials for our training programs at no cost to you, and we do not charge a training fee for our standard training programs listed below. You, however, are responsible for all costs you incur for your attendees to attend our training programs, whether held at our Support Center in Dallas, Texas, your location, or any other arena we elect to conduct our training programs and/or seminars. We update the training courses continuously to keep current with industry trends and modifications to our System.

Pre-Opening Training Program:

Within the first 90 days of the term of the Franchise Agreement, at least one Principal Owner and your Manager (if not a Principal Owner) must complete to our satisfaction our initial pre-opening BASICS criteria, our Business Operations Training Program, and our New Owners' and/or Manager training programs at our Support Center in Dallas, Texas.

Opening Training Program:

At a mutually agreed upon date (usually within the first 60 days of operations), we will send an experienced Snelling employee to your location to provide at least one Principal Owner, your Manager, and your current staff employees with on-the-job training assistance. The level of training provided will depend on your Principal Owner's previous experience and your Manager's previous experience. Training programs provided at your location will usually begin at the beginning of your normal business hours each day, however, it is not uncommon for a portion of this training to continue during the early evening hours should we determine it necessary to maximize the time devoted to your training needs.

Post Opening Training Program:

If we determine that it is necessary, within 6 months following the opening of the Business location, we will send an experienced Snelling employee to your Business location to provide at least one of your Principal Owners, your Manager and your current staff employees with further on-the-job post opening training.

On-going Training Requirements

Within the first 12 months of operation at least one of your Principal Owners must have met the following training requirements applicable to your Business operations. If you provide full staffing services one of your Principal Owners must attend all training programs. (a) Temporary Services - Sales Training, Business Development Training, and New Owner's Training and/or (b) Career Services - Recruiter Training and New Owner's Training.

You are primarily responsible for insuring that your staff employees complete all BASICS virtual training related to their specific job duties within the first thirty (30) days of their employment. You, your Principal Owners and your staff may be required to complete other training programs that we deem necessary for your Business operations.

At the time we renew the franchise for another term, we will inform you as to which individuals must attend and successfully complete our then-current training programs. The individual (or individuals) must complete this training within the first 180 days of the renewal term.

We offer additional elective training programs throughout our fiscal year. They generally consist of 2-3 separate courses lasting up to one week each. We may offer continuing education courses at varying times and at various locations across the country. Also, we may provide other Materials and programs such as our Virtual Classroom Intranet training classes and meetings, workbooks, video tapes, or other media to you. We do not currently charge you to receive these programs. We do however, reserve the right to charge for replacement video tapes, materials and/or training programs that you request.

eEmpACT™ National Training:

It is mandatory that at the time eEmpACT™ National is installed at your location, either your Principal Owner or one of your staff employees successfully attend the eEmpACT Software Certified eEmpACT™ National computer software training conducted by an eEmpACT Software Certified eEmpACT National Trainer. You must pay eEmpACT Software the applicable training fee before attending this training and you are responsible for all other related expenses for your attendee (see Item 7).

Training Instructors and Additional Training Materials:

Snelling's training programs are recognized for continuing education certification through the American Staffing Association ("ASA") and the National Association of Professional Staffing Services ("NAPSS"). The training materials at Snelling are designed to reduce the ramp-up time to productivity and to enhance the current skills of your staff. Training for all Snelling offices is available through several mediums to best provide each office with relevant, real time training. Operations, and Sales and Leadership training is conducted at Snelling University in Dallas, Texas. The classroom courses range from 3 – 5 days. In addition to our Snelling University classroom programs we also host virtual classes in both live and recorded formats. Most of the virtual classes are broken down into 20 – 50 minute increments, and in the aggregate compiles more than 18 hours of basic and advanced sales and operations training. Benefits of the virtual classroom include the ability to remotely provide specialized training thereby reducing travel costs and time away you're your Snelling

office. Our Sales & Operations Basics recorded training program allows participants to progress through each training module at a pace best suited for them with the least disruption to the daily operation of the Snelling office.

The Vice President of Training and Operations supervises the conduct of all Snelling training programs. Our primary instructors' tenure with Snelling ranges from 1 year up to 18 years, with an overall average of 6 years with Snelling. These instructors, along with certain Snelling executives who also assist with training specific to their area of responsibility, bring together an average of 10 years of staffing training experience to the Snelling training program.

The instruction materials we use that relate to either the pre-opening, opening and/or post-opening training include the following: (1) Compass Manual, (2) Pre-Opening Manual, (3) Personnel Manager Manual, (4) Account Manager Manual, (5) Recruiter Manual, (6) Recruiting and Retaining Field Employees, (7) Office Policies Manual, (8) Recruiter Management Manual, (9) Risk Management Manual, (10) Office Technology Manual, (11) eEmpACT Qualifications and Coding, and (12) other specialty manuals as listed in Item 14.

The instruction materials also include other written or electronic directives, policy statements, guidelines, and forms (the "Materials"). We provide you with the access to obtain copies of all required written instructional materials via my.snelling.com.

Training Overview

In general, the subjects we address and the approximate hours of classroom training for our primary training programs are as follows:

TRAINING OVERVIEW - TEMPORARY STAFFING

Subjects	Instruction Methods and Materials	Hours of Classroom Training (see footnote 1)
NEW OWNER TRAINING	Interactive Instruction, Program Workbooks, Role Plays, Group Activities, Field Trip, Action Planning Sessions	20
PROFESSIONAL SALES TRAINING	Interactive Instruction, Program Workbooks, Videos, Role Plays, Small Group Activities, Telephonic Lab Simulation, Reading and Written Exercise, Evening Study, and Virtual Classroom Instruction	34
SALES LEADERSHIP (TEMPORARY STAFFING)	Interactive Instruction, Program Workbooks, Role Plays, Small Group Activities, Manual Reading, Evening Study, and Virtual Classroom Instruction	24
OPERATIONS TRAINING	Interactive Instruction, Program Workbooks, Video, Role Plays, Group Activities, Computer Entry, Telephone Lab Simulation, Evening Study, and Virtual Classroom Instruction	35

TRAINING OVERVIEW - CAREER PLACEMENT

Subjects	Instruction Methods and Materials	Hours of Classroom Training
RECRUITER TRAINING	Interactive Instruction, Program Workbooks, Role Plays, Small Group Activities, Written Exercises, Manual Reading, Evening Study, and Virtual Classroom Instruction	24
SALES LEADERSHIP (CAREER PLACEMENT)	Interactive Instruction, Program Workbooks, Role Plays, Small Group Activities, Manual Reading, Evening Study, and Virtual Classroom Instruction	24

YOU ARE INVITED TO VISIT OUR SUPPORT CENTER IN DALLAS, TEXAS BEFORE SIGNING THE FRANCHISE AGREEMENT WHERE YOU WILL BE PERMITTED TO VIEW THE CONTENTS OF THE MANUALS DESCRIBED ABOVE.

- Hours may vary, but in most cases, all classes will normally begin at 8:00 a.m. and end at 5:00 p.m. We may, in our sole discretion, require classroom assignments, homework assignments and evening workshops.

Site Selection

Before you lease or purchase a site (or before you relocate your existing Business), you must obtain our prior written approval for the subject site. You must provide us with the information we require to evaluate the site. Generally we have 10 days following our receipt of your completed Site Request Package to approve or disapprove the site. Your site must meet our site selection criteria. Our site criteria includes space availability, image, cost, accessibility, amenities, proximity to clients field employees, a grid map of your competition, an office layout, expansion potential, and the length and terms of your lease. Additional details concerning our site criteria are provided in the Materials.

We estimate that it will take approximately 120 days from the time you sign the Franchise Agreement to begin operating the Business. This time frame depends on the time to (a) complete our required pre-opening training, (b) obtain our approval for the site, (c) obtain the required permits and license for operating the Business, and (d) the installation of the furniture, fixtures, equipment, computer hardware, telephone system, and signage. You must open and begin operation of your first location within this time frame. If you do not obtain a site that we approve and open the office within the time period required, we may terminate the Franchise Agreement. It is a breach of the Franchise Agreement to operate from an unapproved location, or to relocate the franchised business to another site without our prior written consent.

Computer Systems

As described in Items 6, 7 and 8, we require that you procure, use and maintain certain computer systems that meet our current standards and specifications as contained in the Materials. Except as otherwise noted in this Offering Circular, we do not have independent access to the information and data you maintain in the required software programs described below other than the information that you transmit to us. We have unlimited access with regard to the Snelling Internet Web Site. With respect to eEmpACT/DocuTIME and your Microsoft SQL Server software, we have access only if you allow it for the purpose of supporting the software application.

Currently, our minimum start-up requirements for computer systems include one computer for each workstation, one computer for testing purposes that can run our required Kenexa Provelt!™ testing software, and the use of our third-party vendor to host your eEmpACT needs. You will also require one copier, one laser printer and one facsimile machine.

If you have a server on-site you will be required to maintain a tape drive backup unit to copy your software data files on a daily basis. An uninterruptible power supply ("UPS") is required to protect your server and related hardware and phone system against power fluctuations and brief power outages. You must procure 1 modem (DSL, Cable or ISDN) connected to the file server or router in order to receive Internet communications from us, and to provide general Internet access to transmit your payroll to us.

Various brands/models of commercially available computer equipment are capable of running our required and recommended software. Nevertheless all computer equipment procured to run eEmpACT™ National and MS software products must be on the current Microsoft Windows 2003 Server™ hardware compatibility list in order to meet third party vendor support terms and conditions. The required hardware, software and Internet connections necessary to run eEmpACT™ must also be used to report your required Monthly Franchise Reports to us via our Intranet services.

You must procure all other computer related systems, including but not limited to, third party vendor costs for supplying computer hardware, software, and equipment, dedicated electrical power, dedicated telecommunication lines, cabling, installation, set up, travel expenses, maintenance, support agreements, consultation, training, insurance, and Internet access. The amounts charged by third party vendors may be subject to increase based on changes in market conditions, future policy changes, changes in your costs from suppliers, and availability.

We may revise computer systems specifications as necessary to keep up with the current automation technology and to meet the needs of our, or our suppliers', system(s). You are obligated to meet our prevailing computer systems requirements and you must obtain the written approval of our vendor, eEmpACT Software, prior to your procurement of computer systems from any third party automation vendors that will be used to run the eEmpACT™ National product.

You may at your option, utilize our web page service for your franchise operations. We have developed and supply at our expense, a Snelling Internet web site which will list your franchise business by name, address, telephone, email and fax number and the staffing industry specific service areas you provide. You can view and edit your customized web page, and access our various on-line applications and services by utilizing a broadband Internet services provider and Microsoft Internet Explorer™ 5.5 or higher browsing software.

In lieu of utilizing our web site services, you must obtain our prior written approval if you elect to independently establish an Internet Registered Domain Name web page, or list your franchise business through any non-Snelling third party Internet web page services provider.

Computer Systems Descriptions, Standards, Specifications and Vendor Information

eEmpACT™ National Software (latest version available) (unlimited workstations per one location) is a third party, client/server, data base software system designed by and for staffing industry professionals and has been customized according to our specifications. eEmpACT™ National software categorizes, searches, matches, retrieves, schedules, and reports on client companies, client orders, client contacts, applicants/employees, and staffing services competitors. No alternate software products are recommended or have been approved by us. You may procure support plans, training, and installation services direct from eEmpACT Software. eEmpACT™ National software is licensed to us by eEmpACT Software, 2051 Killebrew Drive, Suite 520, Bloomington, MN 55425, Phone: (800) 456-5660, and is sublicensed exclusively from us to you. We have used eEmpACT™ National software in our System for longer than 10 years. The vendor

provides support and training directly for various fee schedules according to the specific plan selected. We will supply additional software upgrades and new versions to you through our provider's mandatory Enhancement Program for a monthly fee based upon workstation count, which you pay to us and which we pass through to our provider.

DocuTIME is a data collection software application co-owned by us and by eEmpACT Software that works exclusively with one or more versions of eEmpACT National. DocuTIME is licensed exclusively from us to you and interfaces eEmpACT National directly to us to capture, validate and transmit your weekly reporting of pay/bill information. It allows you and us to control the quality and accuracy of your pay/bill information. DocuTIME pulls the customer billing and field employee payroll information directly from eEmpACT National thus eliminating any need for duplicate data entry and allows the user to enter only hours and pay/bill related items. We provide at no cost to you the DocuTIME application on CD or other media. We may assist you with installing it on your computer system, and provide initial training and ongoing support and periodic updates if you operate under the then-current version of eEmpACT. Our DocuTIME application is the only software application for capture and transmission of pay/bill data recommended or approved by us. Once each week you must transmit your pay/bill information to us at a mutually agreeable time via a third-party Broadband Internet Service Provider with which you have contracted for this purpose. We have used DocuTIME in our system for more than 6 years.

Remote Report Distribution is a third-party software application licensed to us, which we have uniquely assembled to post the various pay/bill and financial reports that we process related to the operation of your franchise business. We provide Remote Report Distribution to eliminate the uncertainty of overnight delivery and minimize the impact of inclement weather, national disasters, or other interruptions that could affect the timely delivery of the reports to you. We will provide you with access to the Remote Report Distribution software application, initial training, ongoing support and periodic updates. You can access the Remote Report Distribution application via our Intranet web page. No alternate software applications are recommended or have been approved by us. We have used Remote Report Distribution in our system for more than 5 years.

Quicken® Software (latest version available) is a third party accounting software package useful for producing accounts payable checks, categorizing and recording payments and deposits, and creating profit and loss statements, cash flows and balance sheets, in both report and graphical form. You must procure Quicken® and no alternate software products are recommended or have been approved by us. Quicken® software is licensed by Intuit, Inc., 2632 Marine Way, Mountain View, CA 94043, Phone: (800) 446-8848 and is available from Intuit, Inc. directly or through various software re-sellers. We have used Quicken® software in our System for 15 years. Intuit provides on-going complimentary support and additional software upgrades are available only when purchased.

Provelt!™ Testing Software is a third-party testing software package required for the testing and training of both temporary and career placement applicants on common commercially available office automation simulations such as Microsoft Excel™, Microsoft Word™, and others. You must procure an Applicant Testing software license from our approved provider and no alternate software product are recommended or have been approved by us. Provelt! software is licensed by Kenexa Technology, Inc., The Wolfe Building, 340 N. 12th Street, Suite 309, Philadelphia, PA 19107, Phone: (800) 935-6694 and is available from Kenexa Technology, Inc. directly. We have used various applicant testing software applications in our System for more than 18 years, and Provelt! for more than two years.

Broadband Internet Providers are service providers that offer access to the Internet through a proprietary or public network for various fees and subscription packages ranging from \$35.00 per month and up, dependent on the type and level of service desired. You must procure the services of a third party broadband Internet Services Provider, establish an e-mail account and furnish us with your e-mail address, in order to access our Internet and Intranet web sites, receive Internet communications from us, access our various software applications, and license and establish your customized web page through us. We do not recommend any one broadband Internet Services Provider over another and suggest that you contact your local software or hardware providers for the names of competing telecommunications services providers which you may contact for further information.

Microsoft Internet Explorer™ Software (version 5.5 or higher) is a third party Internet web browser software product that allows you to view and interact with web pages on the Internet through the required hardware, software and internet connection necessary to run eEmpACT™ National software. You must procure Microsoft Internet Explorer™ software, in order to access our Internet, Intranet, our various applications and web sites, to receive Internet communications from us, and to access and establish your customized web page through us. No alternate software products are recommended or have been approved by us (see footnote 1). This software is also required for you to submit your Monthly Franchise Reports and Pay/Bill information to us via our Intranet services.

Microsoft Windows XP Professional™ Software (MS P/N B23-01164) is a third party, peer to peer, networking, software system, providing a multi-tasking graphical user interface ("GUI") called Windows™ software and includes: MS Outlook Express™ software, an electronic e-mail program useful for inter-office communications and our requirement for Internet communications. You must procure Microsoft Windows XP software to run eEmpACT™ National software and no alternate software products are recommended or have been approved by us (see footnote 1).

MS Office for Windows™ Software (Standard version 2003) (MS P/N 021-04549) is a third party suite of popular desk top software products including: Microsoft Word™; MS Query™, a tool for extracting data from eEmpACT™ National software in to Excel™; MS Excel™ and MS PowerPoint™. You are not required to procure MS Office™ software to run eEmpACT™ National software, however, we highly recommend it for the efficient operation of your Franchise Business and no alternate software products are recommended or have been approved by us (see footnote 1).

Microsoft Windows 2003 Server™ Software (version 2003) (MS P/N (C11-00821) and Microsoft Windows 2003 Server™ software client access license (MS P/N C78-00480) are third party preemptive, multitasking, server based network and communications operating system software packages used to manage Local Area Networks ("LAN's"). A LAN is an electronic means of connecting multiple PCs together that are in close proximity to each other, allowing users to share multiple software programs and common database information. You must procure Microsoft Windows 2003 Server™ software and Microsoft Windows 2003 Server™ software client access license to run eEmpACT™ National software and no alternate software products are recommended or have been approved by us (see footnote 1).

MS SQL Server Software (version 2000 Standard Edition) (MS P/N 228-00782) and MS SQL Server 2000 client/license (MS P/N 359-00532) are third party database and database management systems that store, retrieve and manage data as it is written to and from the hard disk drive. Its many functions range from automatic roll forward/roll back recovery in the event of a system failure, to prescheduled, unattended tape drive back-up capability. You must procure MS SQL Server and MS SQL Server client license to run eEmpACT™ National software and no alternate software products are recommended or have been approved by us (see footnote 1).

Footnote 1: Microsoft software products are licensed by Microsoft Corporation, 1 Microsoft Way, Redmond, Washington 98052, Phone: (800) 426-9400, and are available individually and in special grouped offerings direct from Microsoft, through Prairie Development's eEmpACT Software, or through various Microsoft authorized software re-sellers. We have used various combinations of these Microsoft products in our System for up to 13 years. Microsoft provides support and upgrades directly or through Microsoft authorized re-sellers for various fee schedules.

Workstation/Client Requirements for eEmpACT™ National and Microsoft products, Quicken® and Internet Access

Component	our Requirements
Workstations	(4) x current Microsoft Windows XP Professional™ compatible
Microprocessor	(1) x Intel Pentium IV™
Processor speed	1 GHz or higher
RAM	512 MB
CD Rom	(1) x SCSI 24x CD Rom drive supported by your system
Hard Disk	(1) x 30GB IDE, of 15 MS or less with 100-200 MB of free disk space
Monitor	(1) x SVGA (800x600x256 color)
Operating system	Microsoft Windows XP Professional
Mouse	Any mouse supported by Microsoft Windows XP Professional
Network hardware	Any 100baseT or faster Ethernet card that is supported by your system and is Windows XP compatible.
Network software	One client license for Microsoft Windows 2003 Server. One client license for Microsoft SQL Server ver. 2000.
Keyboard	(1) x 101 key enhanced
Power supply	(1) x 200 Watt
Ports	(1) x Parallel (2) x Serial (1) x USB
Required Applications	(1) x eEmpACT™ National (Latest version) (1) x DocuTIME (Latest version) (1) x Quicken® (Latest version) (1) Internet Explorer™ (Latest version)

Workstation Requirements for Provelt! Testing Software

Component	our Requirements
Workstation	(1) x PC with Internet Connectivity
Microprocessor	(1) x Pentium III™ or greater
Processor speed	1.0 GHz or higher
RAM	512 megabytes
Hard drive	(1) x 6 GB IDE or greater, formatted as a single volume
CD-ROM	(1) x SCSI 24 CD-ROM drive supported by your system
Monitor	(1) x VGA color monitor
Operating system	((1) x Microsoft Windows XP Professional
Mouse	(1) x Microsoft Windows™ compatible
Network hardware	Any 100baseT or faster Ethernet card that is supported by your system and is Windows XP compatible
Printer	(1) x Access to network printer
Keyboard	(1) x 101 key enhanced
Power supply	(1) x 200 Watt
Ports	(1) x Parallel (2) x serial
Required Application	(1) Microsoft Internet Explorer (latest version supported by the applicant testing software provider) (1) Applicant Testing software package approved by us
Sound Card	(1) Creative Labs 16-Bit sound card or compatible

**Server Requirements for eEmpACT™
National, Microsoft products, Quicken®
and Internet Access**

Component	our Requirements
File Server	(1) x Microsoft Windows 2003 Server™ compatible
Microprocessor	(1) x Intel Pentium IV™
Processor speed	1 GHz or higher
RAM	1 GB or more, varies by user count
CD Rom drive	(1) x SCSI 24x CD Rom drive supported by your system
Hard Disk	(3 or more) x 32 GB SCSI or greater, of 15 MS or less configured in a RAID Set
Monitor	(1) x SVGA (800x600x256 color)
Operating system	Microsoft Windows 2003 Server upgraded to the latest service pack required by eEmpACT Software
Mouse	(1) x Microsoft Windows™ compatible

Network hardware	Any 100baseT or faster Ethernet card that is supported by your system and is Windows 2003 Server compatible.
Database software	(1) MS SQL Server™ (ver 2000) upgraded to the latest Service Pack that is required by eEmpACT Software.
Keyboard	(1) 101 key enhanced
Power supply	(1) x 200 Watt
Ports	(1) x Parallel (2) x Serial
Laser Printer	(1) x Microsoft Windows 2003 Server compatible Hewlett Packard Laserjet®
UPS	(1) x UPS capable of powering the server for a minimum of 30 minutes
Back-up device	(1) x SCSI DAT tape drive capable of backing up hard drive on 1 tape, Windows 2003 Server compatible
Back-up software	(1) x Verites Backup Exec with the SQL add-on module
CD-ROM	SCSI 24X CD-ROM drive that is supported by Windows 2003 Server.

**ITEM 12
TERRITORY**

The Franchise Agreement grants you the right to operate one or more Businesses at each location we approve. You may not relocate any Franchise Business without first obtaining our written consent.

No member of the System (nor any other person or entity authorized by us) is restricted from soliciting and/or servicing clients (including major account clients or on-site clients), job-seekers, or field employees, wherever they may be located worldwide, including the area where the Business office may be located.

If you desire to obtain the rights to a Granted Territory, we must mutually agree prior to executing the Franchise Agreement as to the geographic area that will comprise it. As a condition to obtaining a Granted Territory, you agree to pay a minimum annual level of Royalty payments to us (commonly referred to as the "Minimum Performance Requirements"). The existence of a Granted Territory shall not necessarily mean exclusivity as to any particular city, county or state. In general,

the Granted Territory is a geographic area more fully detailed in an attachment to the Franchise Agreement.

THE FOLLOWING EXAMPLE IS FOR INSTRUCTIONAL PURPOSES ONLY. THE FIGURES NOTED IN THE CHART WERE ARBITRARILY CHOSEN AND ARE NOT INTENDED TO INFER DIRECTLY OR INDIRECTLY ANY SPECIFIC LEVEL OR RANGE OF ACTUAL OR POTENTIAL SALES, COSTS, INCOME OR PROFIT FROM THE OPERATION OF ANY BUSINESS LOCATION. THE DATES SHOWN ARE INTENDED TO REFLECT THE INITIAL SEVEN YEAR TERM.

Location No. 1 Time Period	Minimum Performance Requirement Total Royalty Payment to Snelling
January 1, 2007 through December 31, 2007	\$ 30,000
January 1, 2008 through December 31, 2008	\$ 60,000
January 1, 2009 through December 31, 2009	\$ 90,000
January 1, 2010 through December 31, 2010	\$120,000
January 1, 2011 through December 31, 2011	\$150,000
January 1, 2012 through December 31, 2012	\$180,000
January 1, 2013 through the end of the term	\$210,000 (annually)

If you fail to meet your Minimum Performance Requirements for any given annual period you risk forfeiting your rights to the Granted Territory. If such an event occurs, we will either (1) provide you with the opportunity to pay the Royalty shortfall, or (2) rescind your Granted Territory rights.

Except under the circumstances noted below, for as long as you retain your Granted Territory rights, we will not establish, or authorize any other person or firm to establish, a Snelling business physically located within your Granted Territory. Exceptions to the presence of others within your Granted Territory are:

(1) We, or another Snelling franchisee, may provide "on-site" services to an on-site client within your Granted Territory. Such on-site services must be provided for a single on-site client for a specific period of time. All on-site services are strictly limited to the needs of the on-site client and may not integrate to the public in general. Once the on-site services are no longer required all on-site staff must be removed from your Granted Territory within five (5) Business Days following the stop in services.

(2) Should we acquire a multi-location personnel services business with one or more locations located within your Granted Territory, we may (a) operate the acquired business under the Marks, (b) operate the acquired business under any other trade name or mark we select, or (c) provide you the right to operate the acquired business as a Snelling Business under the terms of your Franchise Agreement.

(3) Regardless of the existence of any Granted Territory within the System, if we have a major account program with operations located in the Granted Territory, we may, in our sole discretion, either (a) offer you the opportunity to perform the services for the Major Account, or (b) perform the services ourselves, or (c) authorize another Snelling franchisee or other third party to perform the services. While it is our current policy to first offer the opportunity to perform the services for a major account client to the Snelling office located nearest the major account client's facilities, we are under no contractual obligation to do so.

Except for any applicable restrictions pertaining to a Granted Territory, we have the right to establish staffing businesses operating under the Marks or different trademarks or service marks anywhere in the world, whether franchised or operated by us.

We do not grant any right of first refusal to obtain additional Snelling franchises. Each time you obtain our approval to open an Expansion Office (including the conversion of a Satellite Office) you must enter into our then-current form of amendment to the Franchise Agreement properly identifying the additional Business office.

Neither we nor any of our other affiliates currently operate, franchise, or conduct business through alternative channels of distribution under different marks offering products and services similar to those offered by you. There are, however, no provisions in the Franchise Agreement that would prohibit or restrict our ability to do so.

**ITEM 13
TRADEMARKS**

The Franchise Agreement grants you the right to use certain trade marks, trade names, service marks, and descriptive phrases that have been, or may be designated or substituted by us. You may use these Marks only in the manner we authorize and only for the operation of the Business (see Attachment 6 to the Franchise Agreement).

You must use the Marks without any prefix, suffix, or additional words, symbols, or punctuation, and you are prohibited from using any different or additional name or mark without our consent. For the purpose of filing and maintaining your trade name or fictitious name registrations, you can use the Marks only with the modifications that we designate by written notice. You are prohibited from contesting the validity of our ownership of, or rights in, the Marks. You must execute any document we require to protect the Marks or to maintain their continued validity and enforceability.

We have filed the following principal Marks, that we license to our franchisees, with the U.S. Patent and Trademark Office on the Principal Register, and we have filed all required affidavits:

Description	Federal Registration Number or Serial Number	Registration Date
SNELLING®	1,755,978	March 2, 1993
SNELLING® (Logo) b/w	2,076,247	July 1, 1997
SNELLING® (Logo) color	SN: 76/656,848	March 7, 2006
iThrive	SN: 76,654,888	February 10, 2006
Thrive	3,207,212	February 13, 2007

In addition, we have some earlier franchisees within the System who are currently the only ones who have been licensed to use the following Marks. The franchisees have been instructed to cease use of these marks by July 2007.

Description	Federal Registration Number	Registration Date
Snelling and Snelling®	.717,313	June 20, 1961
SNELLINGSEARCH®	2,185,965	September 1, 1998
SNELLING TEMPORARIES®	1,339,448	June 4, 1985

There are currently no effective determinations of the U.S. Patent and Trademark Office, the trademark trial and appeal board, or the trademark administrator of any state or any court; pending infringement, opposition or cancellation proceedings; or pending material litigation involving any of the Marks that would significantly affect the ownership or use of any Mark listed above.

There are no agreements currently in effect which limit our rights to use or license the use of the Marks. We know of no superior rights or infringing uses of any Mark that could materially affect your use of the Marks in any state in the United States.

You must notify us immediately of any apparent infringement of, or challenge to, your use of any of the Marks. You must also notify us immediately of any claim by any person of any rights in the Marks. We shall, in our sole discretion, determine whether or not we wish to take any action concerning such alleged infringement. You shall have no right to make any demand or to prosecute any claim against any alleged infringer. We have the right to control exclusively any settlement, litigation or proceeding arising out of any claim relating to the Marks. If you have complied with the Franchise Agreement and the System, we agree to indemnify and hold you harmless against any liability assessed against you; we, however, are not responsible for any cost you incur through any independent counsel you retain.

It is our policy to vigorously defend the Marks and your right to use them. However, we have no obligation to defend or indemnify you for any matter that arises out of, or relates to, your misuse of the Marks in violation of the Franchise Agreement.

We reserve the right to substitute different marks to identify the System and the Franchise Business. If any of the Marks can no longer be used, or if we determine that substitution of different marks will be beneficial to the System, we may require you, at your expense, to modify or discontinue your use of any of the Marks or to use additional or substitute Marks.

The license we grant you to use the Marks is nonexclusive. We and our affiliates have certain rights in the Marks, including the following:

1. To grant other licenses for any location in addition to licenses already granted;
2. To use the Marks to sell products and services anywhere or to license others to use the Marks to sell products and services anywhere;
3. To develop and establish other systems for the same Marks, for similar marks, for any other trademarks, trade names, service marks, or names and to grant licenses or franchises for them without providing any rights in them to you or any other existing franchisees; and
4. To develop and establish systems identical or similar to the System under different proprietary marks and to grant licenses or franchises for them for any location without providing any rights in them to existing franchisees.

**ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

Patents and Copyright:

We have no patents that are material to the Business, but we have copyrighted some of the manuals and videos listed below that are used in our training and operations (see Item 11). We also claim statutory copyrights in all original materials used in the System, including all manuals, videos, advertising, materials, plans, specifications and other documents that make up the Materials.

Description	Federal Registration Number	Registration Date
Recruiter Manual	No. TX-4-828-708	July 27, 1998
Account Manager Manual	No. TX-5-217-699	May 22, 2000
Recruiting Management Manual	No. TX-5-217-700	May 22, 2000
Recruiting in the Temporary Help Business Video	No. PA-1-026-665	January 2, 2001
The Hire Right Zone Video	No. PA-1-026-669	January 2, 2001
Building Effective Sales Presentations Video	No. PA-1-026-497	January 4, 2001
5 Step Selling Cycle Video	No. PA-1-026-499	January 22, 2001
Recruiting and Retention Guide	No. TX-5-284-682	January 23, 2001
DocuTIME® Manual	No. TX-2,544,471	March 5, 2002
Personnel Manager Manual	No. TX-5-587-951	August 9, 2002
Pre-Opening Manual	No. TX-5-585-703	August 9, 2002
Risk Management Manual	No. TX-5-588-205	August 9, 2002
Account Manager Sales Presentation Portfolio	No. TX-5-713-797	April 21, 2003
Office Policies Manual	No. TX-5-666-856	October 29, 2003
Compass Manual	Pending	Pending

There are currently no effective determinations of the U.S. Patent and Trademark Office, Library of Congress or any court; pending infringement, opposition or cancellation proceedings; or pending material litigation involving any of the copyrights described above that would significantly affect the ownership or use of any of those copyrights. There are no agreements currently in effect which limit our rights to use or license the use of the copyrights. We know of no superior rights or infringing uses of any copyright that could materially affect your use of the copyrights in any State in the United States.

As with the Marks, it is our policy to vigorously protect the copyrights described above and your right to use them, as long as the matter that arises does not relate to your misuse or violation of the Franchise Agreement.

Training Materials and Confidential Information

We may revise the contents of the Materials and you must comply with each new or changed standard, unless otherwise prohibited from doing so by applicable state or local law. You must also ensure that the Materials are kept current at all times.

We have developed and continue to develop a unique and distinctive System for the operation and management of full service staffing businesses, which includes without limitation: management and training (see Item 11); operational procedures and techniques; advertising and promotional programs; the Materials that we prepare and update on a continuing basis; extremely sensitive information concerning the employees, job-seekers, and clients; as well as our other business relationships; all of which comprise the "Confidential Information."

The Confidential Information is our undisputed property. Any unauthorized use of the Confidential Information by you constitutes an unfair business practice, breach of confidentiality and a default under the Franchise Agreement. All of the Confidential Information constitutes a trade secret, as it is not a matter of common knowledge in the trade. Your access to the Confidential Information will give you an advantage over other staffing businesses. You must use all reasonable efforts not to disclose the Confidential Information and its contents to unauthorized persons, and you must return all of it to us upon termination of the Franchise Agreement. You may not copy, record or otherwise reproduce the Confidential Information, for any purpose other than as permitted by the Franchise Agreement.

You may permit access to the Confidential Information only to those who have a need to know the information. You must maintain the Confidential Information in a secure location and advise your staff on a regular basis that the Confidential Information is confidential. Confidential Information stored on a computer hard drive or disk must be protected from unauthorized access or use by a secret password. All service files and client lists must be marked as Confidential, Proprietary Information and maintained in a secure location.

Those persons not required to sign the Franchise Agreement, such as your Manager, staff employees, officers, directors, other owners (less than 5% interest) who have or will have access to the Confidential Information, must sign our required Confidentiality Agreement which contains covenants to maintain confidentiality and covenants against unfair and unreasonable competition. In addition, if your spouse, child, civil partner, and/or investor associate, is not a Principal Owner, that individual also must sign a Confidentiality Agreement. (See Attachment 4 to the Franchise Agreement)

Any improvements, enhancements, advertising or promotional programs, or inventions developed by you, or those associated with you, which relate in any way to the operation of the Franchise Business, will be our property, and subject to additional fees. If we elect, in our sole discretion, to file for patent, copyright or other similar protection relating to any improvement, enhancement, or invention, you must provide us with the information and sign the documents we may request in order to affect our filing.

At the time of expiration (without renewal) or termination of the Franchise Agreement, you agree to provide us (or our designee) immediate access to all computer hardware used for the Business for the purpose of removing the Snelling Property, Confidential Information, and any software leased or subleased by us to you. We will provide you with our voucher insuring the return of your computer hardware after we have obtained these items.

ITEM 15
OBLIGATION OF FRANCHISEE TO
PARTICIPATE IN THE ACTUAL OPERATION OF
THE FRANCHISE BUSINESS

The Business must be managed at all times by a person (whether one of your Principal Owners or staff employees) approved by us, who devotes his/her full time, energy, and presence at the Business, and who uses his/her best efforts towards the management, promotion and growth of the Business. The individual must have completed our training programs to our satisfaction and continue to meet our training requirements. Your Manager need not have an equity interest in you.

Your Manager, any of your Principal Owners, staff employees, and other personnel or associates who have access to the Confidential Information, or have received our training, must sign our required Confidentiality Agreement (see Attachment 4 to the Franchise Agreement) for the purpose of maintaining confidentiality and covenants against unfair and unreasonable competition. Other parties we identify, such as your spouse, child, civil partner, or investor associate may also be required to sign the Confidentiality Agreement for the same purpose (see Item 14).

We require each individual person, or legal entity, who owns a 5% or greater interest in you to execute the Franchise Agreement as a Principal Owner. We require each individual Principal Owner to execute a Personal Guaranty (see Attachment 3.1 to Franchise Agreement), and, if applicable, we require each legal entity shareholder to execute a Corporate Guaranty (see Attachment 3.2 to Franchise Agreement). In the event of a default, each form of Guaranty provides for the immediate payment and/or performance required of you under the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT FRANCHISEE MAY SELL

You may provide only the services and goods specified in the Franchise Agreement and the Materials. Your location may not be used for any business other than the Snelling Franchise Business. The Business must not give the impression of a physical (or operating) connection with any other business.

You are required take all steps necessary to ensure that all applicants, job-seekers, field employees, and staff employees are treated fairly and equally, and with dignity and respect. You must at all times adhere to all applicable laws prohibiting discrimination and harassment with respect to race, creed, color, religion, sex, national origin, age, handicap, or status as a veteran. You must adhere to all applicable laws with respect to the hiring, compensation, supervision, safety, training, discharge, dispatching, or referral for placement of each person.

[TEXT CONTINUES]

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AGREEMENT. YOU SHOULD READ THESE PROVISIONS IN THE FRANCHISE AGREEMENT ATTACHED TO THIS OFFERING CIRCULAR AS EXHIBIT "B".

a. Length of the term of the franchise	Sections 5(b)	The initial term is 10 years.
b. Renewal or extension of the term	Section 13	You have the opportunity to renew the franchise for an additional 10 year period.
c. Requirements for franchisee to renew or extend	Section 13	You must be in compliance with your existing Franchise Agreement and in good standing within the System. You must execute a new Franchise Agreement and execute a Mutual Release. You must commit to us that those individuals who we identify as primarily responsible for the Business operations will attend the training programs we require within the first 180 days of the renewal term. If we deem it necessary, you must renovate and/or upgrade the physical condition of the office, the logo and signs, and the hardware and software components of the Business location to our then-current standards.
d. Termination by franchisee	Section 15(f)	If you are not in default under your Franchise Agreement, you have the option to voluntarily terminate for any reason by giving us at least 180 days prior written notice and complying with all post-termination and non-competition obligations and provisions in the Franchise Agreement (see footnote 1).
e. Termination by franchisor without "cause"	N/A	N/A
f. Termination by franchisor with "cause"	Section 15(a) and 15(b)	We may terminate the Franchise Agreement if you breach your material and essential obligations under the Franchise Agreement.
g. "Cause" defined-curable defaults	Section 15(a)	If you fail to comply with the terms of the Franchise Agreement that provide an opportunity to cure, the offending party must cure the default within 10 days (or longer as required by law) after your receipt of our written notice informing you of the specific breach.

<p>h. Cause defined - defaults which cannot be cured</p>	<p>Section 15(b)</p>	<p>If you:</p> <ol style="list-style-type: none"> (1) fail to open the Business or if the Business is closed for 5 consecutive business days; (2) are convicted of a crime that may adversely affect the System or Marks; (3) transfer any material assets of the Business or any rights or obligations under the Franchise Agreement without first obtaining our written approval; (4) fail to comply with anti-discrimination laws; (5) fail to follow our standards concerning approval of clients with regard to risk and/or credit requirements; (6) fail to comply with our insurance requirements; (7) interfere with or convert client payments due us; (8) fail to comply with the covenants against unfair trade practices; (9) disclose the contents of the Materials, the Confidential Information, or our required software, to unauthorized persons; (10) fail to protect the Confidential Information as required by the Materials; (11) act in any way inconsistent with being a business separate from Snelling; (12) commit any act that brings the System into disrepute; (13) operate the Business from a non-approved location; (14) participate in any fraudulent or discriminative activity; (15) are adjudicated as bankrupt or insolvent; (16) commit 2 material breaches within a 12 month period; (17) lose control of the Business; (18) permit field employees to perform services that are prohibited in the Materials; or (19) willfully or negligently misclassifying field employees for worker's compensation purposes.
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<p>i. Franchisee's obligations on termination</p>	<p>Sections 15(c), 15(g), 16 and 17</p>	<p>During the 180 day termination notice period:</p> <ol style="list-style-type: none"> (1) You must continue to operate the Business in good faith in order to insure a smooth transition period. (2) You agree that upon our receipt of your 180 voluntary notice, your participation in any special programs or qualification for any special incentives will cease without further compensation to you. (3) The ability to rescind any voluntary notice of termination shall be at our sole discretion. If we approve your request to rescind, you must execute our required re-instatement documents, including a mutual release and pay a \$10,000 re-instatement fee. <p>As of the Termination Date you must:</p> <ol style="list-style-type: none"> (1) cease operating the Business, (2) stop using the Marks and the System, (3) stop using any third party software licensed through us, (4) cancel fictitious name filings or authorizations, (5) completely de-identify the Business from our System (6) return the Materials (specifically the training materials, software materials and System-related records including applicant and client files), (7) cease operating any type of staffing business within ten (10) miles of any Snelling office, (8) pay in full all liabilities of the Business and money owed to us, (9) either assign to us, or cancel all telephone (including cellular) and facsimile numbers, per our written instructions, (10) provide us (or our designee) immediate access to your computer hardware that contains the Snelling Property, in order to insure the complete return of all Snelling Property and the eEmpACT™/DocuTIME™ software to us, (11) at our option, assign your lease to us and/or sell to us all of the assets of the Business, (12) provide us with a computer list of the names, addresses and telephone numbers of the clients and job-seekers serviced by the Business during the two (2) year period prior to the later of the Termination Date or the date you comply with all post termination covenants, (13) execute a mutual release of all claims, and (14) if applicable, pay us liquidated damages (see footnote 2 below).
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j. Assignment of contract by Franchisor	Section 18(i)	We can assign the Franchise Agreement to any person or entity with written notice to you.
k. Transfer by franchisee – defined	Sections 12(c), 12(d) and 12(e)	Includes sale, transfer, assignment, sublicense or pledge as security of any ownership interest in the Franchise Agreement, the Business or you.
l. Franchisor approval of transfer by franchisee	Sections 12(c)	You must obtain our prior written consent, which will not be unreasonably withheld, before transferring any interest.
m. Conditions for franchisor approval of transfer	Sections 12(e)	<ol style="list-style-type: none"> (1) You must be in compliance with the Franchise Agreement and in good standing in the System. (2) We must approve the new owners prior to the transfer. (3) If the transfer does not constitute a change in control, the new owner(s) must agree in writing to assume all obligations, covenants and agreements of the Franchise Agreement and related documents. (4) If the transfer constitutes a change in control, all Principal Owners must enter into our then-current Franchise Agreement and at least one Principal Owner and/or the Manager must attend and complete training to our satisfaction. (5) You must provide a copy of the buy/sell agreement or other transfer instrument to us for approval prior to the transfer. (6) Each new owner must provide us with written confirmation that each have investigated the franchise business in question to their satisfaction and consulted with appropriate legal and business advisors with respect to the purchase of the franchise business and the Franchise Agreement. (7) If a change in control occurs, you and the exiting Principal Owners must execute a mutual release. (8) Should we deem it necessary, the new owner(s) must agree to renovate and automate the Business to conform to our then-current standards and specifications for new franchise offices within 90 days following the transfer/sale. (9) If applicable, you are responsible for the payment of any related broker/referral fee.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 12(f)	Within 30 days after we receive your proposed offer to transfer your interest, we have the option to purchase the proposed transferred interest under the same terms.

o. Franchisor's option to purchase franchisee's business at time of Renewal	Section 16(a)(10)	If you choose not to renew the franchise, we have the option to purchase the assets of the Business on or before the Scheduled Expiration Date. The Franchise Agreement provides for a purchase price equal to the lesser of (a) fair market value or (b) three (3) times your annual pre-tax earnings for the Business for your most recently completed fiscal year. If you and we can not agree on a fair market value within thirty (30) days following the initial proposal, the fair market value will be determined by independent appraisers. We can deduct amounts you owe to us and our related expenses from the purchase price.
p. Death or disability of franchisee	Section 12(h)	The Franchise Agreement will terminate ninety (90) days after the death of a Principal Owner if there are no other surviving Principal Owners at the time. However, with our approval, the successors and heirs, may execute our then-current form of Franchise Agreement at no fee for the purpose of continuing the Business for a new term.
q. Non-competition covenants during the term of the franchise	Sections 17(b)	You must not, directly or indirectly, operate, own or associate with any other staffing business. You must not divulge any Confidential Information or Proprietary Information of our System to unauthorized third-parties. The term "indirectly" includes your spouse, child, civil partner, officers, agents, staff employees, attorneys, heirs, or investor associate if their actions would be prohibited if performed by you.
r. Non-competition covenants after the franchise is terminated or expires	Section 17(c)	<p>With respect to any termination or non-renewal you must adhere to the non-competition covenants described in Section 17(c).</p> <p>If you and we enter into an Asset Purchase Agreement for our purchase of your assets, certain post-termination and non-competition covenants may be waived or modified. Otherwise, you may compete, with restrictions, after the effective date of termination. You must comply with your post-termination obligations and you must not use any part of our System, Marks, Materials, Confidential Information, proprietary software, domain names and copyrighted works. For two (2) years following the termination, you may not: operate a personnel service business at a location within ten (10) miles of any other Snelling location, hire Snelling employees; contact Clients, procure employment for Job-seekers or Field Employees, or divert Job-orders from us.</p>
s. Modification of the agreement	Section 18(f)	Except for certain amendments permitted to be made unilaterally by us, any changes or modifications to the Franchise Agreement must be in writing and signed by authorized officers or agents of both parties.

t. Integration/Merger Clause	Section 18(k)	Only the terms of the Franchise Agreement, and any written amendment or related agreement are binding (subject to applicable law). No other representations or promises are binding.
u. Dispute resolution by arbitration or mediation	Sections 18(b) and 18(c)	<p>Except for actions brought by us to collect money, or for injunctive relief or involving possession of real property, all disputes arising under the Franchise Agreement or out of the relationship created by the Franchise Agreement must be mediated at either (a) the J.A.M.S. office located in Dallas, Texas, or (b) in the city and state where our headquarter are located, or (c) if required by state law, in the state where the Business is located.</p> <p>For all other claims that cannot be amicably settled among the parties, you and we agree that those claims shall be referred to arbitration. The arbitration shall be conducted through the American Arbitration Association ("AAA") at either (a) their office located in Dallas, Texas, (b) the current city and state where our headquarters are located, or (c) if required by state law, in the state where the Business is located.</p>
v. Choice of forum	Section 18(d)	Unless otherwise required by state law, the venue for all proceedings related to or arising out of the Franchise Agreement is the county and state where our principal place of business is located.
w. Choice of Law	Section 18(a)	The Franchise Agreement is governed by the law of the state of Texas, however, in some cases it may be subject to state law in the state from which the Business is operated.

[California residents please refer to the Addendum to this Offering Circular for the State of California located at the front of this Offering Circular.]

[Maryland residents please note that the mutual general release required as a condition of renewal, sale, termination, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. In addition, the provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law 11 U.S.C. Section 101 et seq.]

[Rhode Island residents please note that §19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."]

1. If you do not provide us with the 180 day prior written notice, we will be entitled to liquidated damages. Such damages are equal to the Royalty due for the 18 month period immediately preceding the time you ceased operations. Further, because the Franchise Agreement enables you to open multiple locations, should you conclude that you cannot perform under the Agreement for one particular location, you may obtain our prior written approval to either close the location in question or merge it into one of your other Snelling locations. In this way, you may continue to operate the remaining locations without having to terminate the Franchise Agreement. Under those circumstances, you must provide us with a 90 day prior written notice detailing your intent to close, or merge, the subject location. If you do not provide us with the 90 day prior written notice, we will be entitled to liquidated damages (in the same manner as for termination) equal to the Royalty due and payable for the 9 month period immediately preceding the time you ceased operating the location.

**ITEM 18
PUBLIC FIGURES**

At this time, we do not use any public figure to promote our franchises.

**ITEM 19
EARNINGS CLAIMS CAPABILITIES**

Set forth below is a summary of information showing Gross Margins of certain Snelling branch and franchise Pay/Bill offices during our last fiscal year.

Summary Time Period	December 30, 2005 through December 29, 2006
Reporting Offices	All Pay/Bill Snelling offices open for the full 12 month period of 2006
Total number of Pay/Bill Snelling offices included in the summary	114
Total number of Snelling offices not included in the Summary (non-Pay/Bill, career placement only, and Pay/Bill offices not open for the full 12 month period of 2006)	78

Gross Margin	Number and percentage of Pay/Bill Snelling offices that equal or exceed Gross Margin
\$1,006,159	11, or 10.0%
\$671,553	29, or 25.0%
\$364,539	57, or 50.0%
\$200,067	86, or 75.0%
Average Gross Margin Dollars	\$499,203
Number and percentage of Pay/Bill Snelling offices that equal or exceed Average Gross Margin	43, or 37.72%

Footnotes:

(a) As stated in Item 6, Gross Margin means the amount equal to your net Temporary Help Billings less all related temporary employee charges (i.e., payroll; payroll taxes, worker's compensation, and other payroll costs; insurance costs; unemployment costs; benefits; sales taxes and any other taxes, and any other employment related costs and adjustments).

(b) The information provided above is comprised from the information directly related to only those Snelling businesses that utilize our Pay/Bill services. We have not included any information pertaining to any non-Pay/Bill Snelling franchise business. The information is based upon our actual accounting records that reflect the total operations of all Pay/Bill Snelling locations. Non-Pay/Bill Snelling offices utilize other third-party services outside of the control of Snelling.

(c) Some Snelling businesses also offer career placement services in addition to temporary staffing services. The table reflects Gross Margins generated from the temporary staffing services portion only of the subject Snelling businesses; it does not include any revenues or profits generated from the career placement services.

(d) Some Snelling locations (company-owned and franchised) also have on-site satellite offices. The Gross Margins for each such on-site office is included with the related main office in the aggregate. In the table above 16, or 14%, fell into this "with on-site" category.

(e) Gross Margin does not reflect your profits or net income due to the fact we take deductions from Gross Margin before submitting your Distribution Account funds to you. Your portion of the Gross Margin will most often be 60%, less your Ad Fund and subject to further deductions and adjustments or rebates authorized by the Franchise Agreement and/or Materials. You should refer to Item 6 for more details about additional deductions and adjustments.

(f) In addition to any deductions and/or adjustments made by us, you will incur other expenses that will reduce your profit or net income, such as office space costs, equipment rent, labor, debt service, depreciation and amortization, advertising, administrative expenses, taxes, licenses, insurance, and other related operating costs. These expenses vary from office to office and are also affected by the market place where the office is located.

(g) Actual results vary from office to office and are dependent on a variety of internal and external factors, some of which we cannot estimate or forecast, such as competition, taxes, and the general economic climate in your selected market. Therefore, we cannot and do not estimate the results of a particular Snelling Franchise Business.

Additionally, set forth below is a summary of information showing Temporary Revenues of all reported branch and franchise Snelling offices during our last fiscal year:

Summary Time Period	December 30, 2005 through December 29, 2006
Snelling offices included in the summary	All Snelling offices reporting Temporary Revenues and open for the full 12 month period of 2006
Total number of Snelling offices included in the summary	149

Reported Temporary Revenue	Number and percentage of Snelling offices that equal or exceed this level of Temporary Revenue
\$5,435,692	15 or 10.00%
\$3,180,499	37 or 25.00%
\$2,205,633	75 or 50.00%
\$1,084,829	112 or 75.00%
Average Temporary Revenue	\$2,631,648
Median Temporary Revenue	\$2,064,879
Number and percentage of Snelling offices that equal or exceed Average Temporary Revenue	54 or 36.25%

Footnotes:

(a) The information provided above is comprised from the information directly related to only those Snelling businesses that reported Temporary Revenue for the stated time period. The information does not include any career placement revenue generated by full service locations, or, those Snelling offices that provide career placement services only. It does not include those Snelling offices that were not open for the full reporting period. The information is based upon our actual accounting records for those Pay/Bill offices that we process as well as the information reported directly to us by non-Pay/Bill offices. The differential between 149 reporting offices and the 192 offices that were open as of December 29, 2006 is comprised of the following:

- i. 13 company-owned satellite offices were reported with each satellite's respective main office.
- ii. 4 franchisee satellite offices were reported with each satellite's respective main office.
- iii. 6 company-owned offices were not open for the full reporting period.
- iv. 2 franchise offices were not open for the full reporting period
- v. 3 franchise offices submitted combined reports rather than separate reports for each office.
- vi. 15 franchise offices provide only career placement services and are therefore excluded from the summary.

(b) As with the Gross Margin summary, actual results vary from office to office and are dependent on a variety of internal and external factors, some of which we cannot estimate or forecast. Therefore, we cannot and do not estimate the results of a particular Snelling Franchise Business.

THE INFORMATION SET FORTH IN THE GROSS MARGIN TABLE REFLECTS THE ACTUAL RESULTS OF EXISTING PAY/BILL SNELLING BUSINESSES AND SHOULD NOT BE CONSIDERED AS THE ACTUAL OR PROBABLE RESULTS THAT WILL BE REALIZED BY YOU. YOU ARE CAUTIONED TO NOTE THAT A NEW FRANCHISEE'S INDIVIDUAL FINANCIAL RESULTS COULD BE LOWER.

FURTHER, THE INFORMATION SET FORTH IN THE TEMPORARY REVENUE TABLE REFLECTS REPORTED SYSTEM-WIDE REVENUES AND THEREFORE REFLECTS ACTIVITIES THROUGHOUT NUMEROUS GEOGRAPHIC AREAS WITH VARIOUS ECONOMIC AND SOCIOECONOMIC FACTORS THAT MAY ARE NOT MAY REFLECT THE MARKET IN WHICH YOU CHOOSE TO OPERATE.

Except for the information contained in this Offering Circular, we do not furnish or authorize our sales persons to furnish any oral or written information concerning the actual, average, projected, or forecasted sales, costs, income, profits, or cash flow of any Snelling business. We recommend that you make your own independent investigation to determine whether or not the Snelling franchise may be profitable, and consult with your financial, legal and other advisors prior to executing any agreement with us. Upon your request we will provide to you support for the data set forth in the table above.

[TEXT CONTINUES]

ITEM 20
LIST OF FRANCHISE OUTLETS
FOR SNELLING AND SNELLING, INC. FISCAL YEAR 2004
AND OUR FISCAL YEARS 2005 AND 2006

State	Transfers	Canceled or Terminated	Not Renewed	Reacquired by Franchisor	Left the System	Total from Left Columns	Franchises Operating at End of Year
Alabama	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1	0/0/1	5/5/4
Arizona	0/0/0	10/0/0	0/0/0	0/0/0	0/0/0	1/0/0	1/1/1
Arkansas	1/1/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0	5/5/5
California	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1	0/0/1	3/5/4
Colorado	0/1/0	0/0/0	0/0/0	0/0/0	0/0/0	0/1/0	4/4/4
Connecticut	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
D.C.	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
Florida	1/0/1	1/0/1	0/0/0	0/0/0	0/1/3	0/1/5	16/19/16
Georgia	0/1/0	0/0/0	0/0/0	0/0/0	1/0/0	2/1/0	7/7/8
Hawaii	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/0/0	0/0/1
Idaho	0/0/1	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1	1/1/1
Illinois	0/1/0	0/2/0	0/0/0	0/0/0	1/1/0	1/4/0	9/6/6
Indiana	0/0/0	0/0/0	0/0/0	1/0/0	1/0/0	2/0/0	1/1/1
Iowa	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1	0/0/1	2/2/1
Kansas	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/1/1
Kentucky	1/1/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0	3/3/3
Louisiana	0/1/0	0/0/0	0/0/0	0/0/0	0/0/0	0/1/0	3/3/3
Maryland	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Mass.	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/2/2
Michigan	0/0/1	0/0/0	0/0/0	0/0/0	0/1/0	0/1/1	13/13/13
Minnesota	0/0/0	0/0/0	0/0/0	0/0/0	0/2/0	0/2/0	2/0/0
Mississippi	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/2/2
Missouri	0/0/0	0/0/1	0/0/0	0/0/0	0/0/0	0/0/1	5/5/5
Montana	1/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/0/0	2/2/2
N. Carolina	1/0/0	0/0/0	0/0/0	0/0/0	0/1/0	1/1/0	2/1/1
N. Dakota	0/0/0	0/0/0	0/0/0	0/0/0	0/1/0	0/1/0	1/0/0
Nebraska	0/0/0	1/0/0	0/0/0	0/0/0	0/0/0	1/0/0	1/1/1
New Jersey	1/0/0	0/0/0	0/0/0	3/0/0	1/0/0	5/0/0	7/6/7
New Mexico	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
New York	0/0/0	0/0/0	0/0/0	1/0/0	0/1/0	1/1/0	2/1/1
Ohio	0/1/0	2/1/1	0/0/0	0/0/0	0/0/0	3/2/1	8/7/6
Oklahoma	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Pennsylvania	0/0/0	0/0/0	0/0/0	1/0/0	1/0/0	3/0/0	1/1/1
Rhode Island	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
S. Carolina	1/0/0	0/0/0	0/0/0	2/0/0	0/0/0	1/0/0	5/6/6
S. Dakota	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/2/2
Tennessee	0/0/2	0/0/0	0/0/0	0/0/0	0/0/0	0/0/2	4/4/4
Texas	1/2/1	0/2/1	0/0/0	2/0/1	0/0/1	3/4/4	19/18/15
Utah	0/0/1	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1	2/2/2
Virginia	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/2/2
Washington	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
West Virginia	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
Wisconsin	0/0/0	0/0/0	0/0/0	0/0/0	0/1/0	0/1/0	2/1/1
Totals	8/9/7	5/5/3	0/0/0	10/0/1	5/9/7	28/23/19	148/143/136

**STATUS OF OPERATIONS
BRANCH OFFICES AND ON-SITE SATELLITES
FOR SNELLING AND SNELLING, INC. FISCAL YEARS 2004
AND OUR FISCAL YEARS 2005 AND 2006**

State	Offices Closed During Year	Offices Opened During Year	Total Offices Operating at End of Year*
California	0/0/0	1/2/3	4/6/8 (plus 5 on-sites)
Florida	0/2/0	1/0/0	4/2/2
Hawaii	0/0/0	0/0/0	1/1/1
Illinois	1/0/0	0/1/0	2/3/3 (plus 1 on-site)
Indiana	0/1/0	1/0/0	1/0/0
Kansas	0/0/0	0/0/0	1/1/1 (plus 1 on site)
Massachusetts	0/0/1	0/1/1	1/2/2
Michigan	0/0/0	0/0/0	1/1/1
Missouri	0/0/0	0/0/0	0/0/0 (plus 1 on-site)
Nebraska	1/0/0	0/0/0	0/0/0
Nevada	0/1/1	0/0/0	1/0/0
New Jersey	0/0/0	3/1/0	3/4/4
New York	1/1/0	1/0/0	7/6/6
North Carolina	0/0/0	0/0/0	2/2/2
Ohio	0/0/0	1/0/0	1/1/1 (plus 1 on-site)
Pennsylvania	0/0/0	3/0/0	3/3/3 (plus 1 on-site)
Tennessee	0/0/0	0/0/1	2/2/3 (plus 1 on-site)
Texas	1/0/0	2/1/1	5/5/6 (plus 2 on-site)
Totals	2/5/2	10/6/6	39/40/43 (plus 13 on-sites)

*On-Site offices do not service the general public. They provide services to a specific client for a defined period of time.

[TEXT CONTINUES]

PROJECTED OPENINGS IN FISCAL YEAR 2007

State	Franchise Agreements Signed But Office Not Opened	Projected Franchised New Offices in the Next Fiscal Year	Projected Company Owned Opening in Next Fiscal Year
Arizona	1	0	0
California	0	1	1
Colorado	1	0	0
Connecticut	0	1	0
Florida	0	1	0
Georgia	0	1	0
Illinois	0	0	1
New Jersey	0	1	0
New York	0	1	1
North Carolina	0	1	0
Oregon	0	1	0
Pennsylvania	0	1	0
Texas	1	1	1
Washington	0	0	0
TOTALS	3	10	4

The names, addresses, and telephone numbers of our franchisees and their offices are listed in Attachment "D".

The name, last known address, and telephone number of (a) each franchisee who has had a franchised business terminated, canceled, or not renewed by us during our prior fiscal year, (b) otherwise voluntarily or involuntarily ceased to do business under their franchise agreement in that time frame, or (c) who have not communicated with us within 10 weeks prior to the date of this Offering Circular or the date of our application for registration of this Offering Circular, are listed in Attachment "E".

**ITEM 21
FINANCIAL STATEMENTS**

The financial statements listed below are attached to this Offering Circular as Exhibit "A". In addition, Snelling Staffing, LLC guarantees our performance under the Franchise Agreement and various registration state requirements.

Audited Financial Statements of Snelling Staffing, LLC as of December 29, 2006, and
Un-audited Balance Sheet and Consolidated Statement of Operations
for the period ending March 30, 2007

[If you are a resident of the State of New York, you will find an example of the Guarantee of Performance for the State of New York following the special Addendum Page for the State of New York in the front of this Circular.]

**ITEM 22
CONTRACTS**

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

1. Exhibit "A"
Financial Statements
2. Exhibit "B"
Franchise Agreement and its attachments
3. Exhibit "C"
Additional Disclosure for Fixed Royalty Rate Pay/Bill and/or Non-Pay/Bill Franchisees
4. Exhibit "D"
eEmpACT National and Front Office Software User Sublicense Agreement (stand alone)
5. Exhibit "E"
eEmpACT™/DocuTIME Software License, Access and Use Rider (combined form)
6. Exhibit "F"
eEmpACT™ National and Front Office Software ASP Sublicense Agreement (3rd party host)
7. Exhibit "G"
DocuTIME® Software License, Access and Use Rider (3rd party host)
8. Exhibit "H"
Internet Web Site User License Agreement
9. Exhibit "I"
Satellite Office Rider
10. Exhibit "J"
Mutual General Release