EXHIBIT "A"

FINANCIAL STATEMENTS

Audited Financial Statements
Periods Ending December 31, 2004 and December 31, 2005

Unaudited Financial Statements
for period January 1, 2006 through March, 31, 2006

TEAMLOGIC, INC.

(A Wholly Owned Subsidiary of Franchise Services, Inc.)
(A Development Stage Enterprise)

Financial Statements

December 31, 2004

(With Independent Auditors' Report Thereon)

KPMG

KPMG LLP
Suite 700
600 Anton Boulevard
Costa Mesa, CA 92626-7651

Independent Auditors' Report

The Board of Directors
TeamLogic, Inc.:

We have audited the accompanying balance sheet of TeamLogic, Inc. (the Company) (a wholly owned subsidiary of Franchise Services, Inc.), a development stage enterprise, as of December 31, 2004, and the related statements of operations, stockholder's deficit, and cash flows for the period from September 1, 2004 (inception) to December 31, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TeamLogic, Inc., a development stage enterprise, as of December 31, 2004, and the results of its operations and its cash flows for the period from September 1, 2004 (inception) to December 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

As described more fully in note 1(b), the parent company, Franchise Services, Inc., has committed to provide financial support to TeamLogic, Inc., such that TeamLogic, Inc. will be able to meet its obligations as they come due through January 1, 2006.

KPMG LLP

February 24, 2005

TEAMLOGIC, INC.
(A Wholly Owned Subsidiary of Franchise Services, Inc.)
(A Development Stage Enterprise)

Balance Sheet

December 31, 2004

Assets

Current assets:		
Cash	$	31,977
Prepaid expenses		8,925
Total current assets		40,902
Furniture and equipment, net		127,055
Total assets	$	167,957

Liabilities and Stockholder's Deficit

Current liabilities:		
Accounts payable and accrued expenses	$	860
Payable to parent		179,489
Total current liabilities		180,349
Stockholder's deficit:		
Common stock, $0.01 par value. Authorized, issued, and outstanding 1,000 shares		10
Additional paid-in capital		499,990
Accumulated deficit during the development stage		(512,392)
Total stockholder's deficit		(12,392)
Commitments (note 2)		
Total liabilities and stockholder's deficit	$	167,957

See accompanying notes to financial statements.

TEAMLOGIC, INC.
(A Wholly Owned Subsidiary of Franchise Services, Inc.)
(A Development Stage Enterprise)

Statement of Operations

Period from September 1, 2004 (inception) to December 31, 2004

Revenue	$ —
Expenses:	
General and administrative	512,392
Net loss	$ 512,392

See accompanying notes to financial statements.

Exhibit "A"
TeamLogic 01/06

TEAMLOGIC, INC.
(A Wholly Owned Subsidiary of Franchise Services, Inc.)
(A Development Stage Enterprise)

Statement of Stockholder's Deficit

Period from September 1, 2004 (inception) to December 31, 2004

	Common stock		Additional paid-in capital	Deficit accumulated during the development stage	Total stockholder's deficit
	Shares	Amount			
Balances at September 1, 2004 (inception)	—	$ —	—	—	—
Issuance of common stock for cash	1,000	10	499,990	—	500,000
Net loss	—	—	—	(512,392)	(512,392)
Balances at December 31, 2004	1,000	$ 10	499,990	(512,392)	(12,392)

See accompanying notes to financial statements.

Exhibit "A"
TeamLogic 01/06

TEAMLOGIC, INC.
(A Wholly Owned Subsidiary of Franchise Services, Inc.)
(A Development Stage Enterprise)

Statement of Cash Flows

Period from September 1, 2004 (inception) to December 31, 2004

Cash flows from operating activities:		
Net loss	$	(512,392)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation		1,272
Changes in assets and liabilities:		
Prepaid expenses		(8,925)
Accounts payable and accrued expenses		860
Payable to parent		179,489
Net cash used in operating activities		(339,696)
Cash flows from investing activities:		
Purchase of furniture and equipment		(128,327)
Net cash used in investing activities		(128,327)
Cash flows from financing activities:		
Proceeds from issuance of common stock		500,000
Net cash provided by financing activities		500,000
Net increase in cash		31,977
Cash at beginning of period		—
Cash at end of period	$	31,977

See accompanying notes to financial statements.

TEAMLOGIC, INC.
(A Wholly Owned Subsidiary of Franchise Services, Inc.)
(A Development Stage Enterprise)

Notes to Financial Statements

December 31, 2004

(1) Significant Accounting Policies

(a) Organization and Description of Business

TeamLogic, Inc. (the Company) is headquartered in Mission Viejo, California. The Company is a development stage enterprise formed to franchise an information technology business under the name "TeamLogic IT." Franchisees will provide information technology consultation, maintenance, and repair services targeted to small business customers.

The Company was incorporated on September 1, 2004, in the state of California as an S Corporation and is a wholly owned subsidiary of Franchise Services, Inc. (FSI or the Parent). The Company has not yet commenced the sale of franchises. Prior to the incorporation of the Company, certain expenditures were incurred by FSI to develop the business concept and prepare for the sale of franchises. These costs, in the amount of $647,512, were allocated to the Company after incorporation and are included in the Company's financial statements.

The Company is a wholly owned subsidiary of Franchise Services, Inc. The Parent also owns the following subsidiaries:

Sir Speedy, Inc., headquartered in Mission Viejo, California, which sells and services domestic and international quick printing and copy centers.

Postal Instant Press Inc., headquartered in Mission Viejo, California, which sells and services domestic and international franchised quick printing and copy centers.

MultiCopy Europe BV, headquartered in Amsterdam, the Netherlands, which sells and services franchised quick print and copy centers in the Netherlands and operates quick print centers in the Netherlands.

Digital Quickcolor Inc., headquartered in Irvine, California, which provides research and development for digital color prepress and press technology and which also sells wholesale digital color printing services.

Summit Marketing Communications, Inc., (Summit), headquartered in Morrison, Colorado, which is an advertising agency.

Certain administrative support functions of the Company are provided by the Parent. Ongoing administrative support costs may be charged by the Parent to the Company in the form of a management fee. No such charges have been recorded in the accompanying financial statements for the period from September 1, 2004 (inception) to December 31, 2004.

(b) Basis of Presentation, Liquidity, and Commitment of Parent Company Support

The accompanying financial statements are presented in accordance with Statement of Financial Accounting Standards (SFAS) No. 7, *Accounting and Reporting by Development Stage Enterprises.* According to SFAS No. 7, an enterprise shall be considered to be in the development stage if it is devoting substantially all of its efforts to establishing a new business and planned principle operations have not commences.

The Company is a development stage enterprise and has not yet generated any revenue. Considerable effort and resources will need to be expended before the Company begins to generate revenue. As described more fully in note 2, the Company will also expend a significant amount of money on IT system software and hardware infrastructure to support the activities contemplated in its business plan. Additional capital will be necessary to fund the Company's operations through the development stage and beyond. Unless the Company can obtain other sources of capital, it is clear that the Company will be dependent upon its Parent for continued funding through the development stage and beyond. If the Company were unable to continue to receive continued adequate funding from the Parent, such inability would have an adverse effect of the financial position, results of operations, cash flows, and prospects for the Company and ultimately on its ability to continue as a going concern. The Parent has unconditionally committed to provided financial support to TeamLogic, Inc. such that TeamLogic, Inc. will be able to meet its obligations as they come due through January 1, 2006.

The financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The financial statements do not give effect to any adjustments that might be necessary if the Company were unable to meet its obligations or continue operations.

(c) Income Taxes

The Company, along with its Parent, made qualified Subchapter S elections. As an S Corporation, the Company's earnings are generally not subject to income tax. Instead, the Company's taxable income or loss is passed through to the stockholders to report on their federal and state income tax returns. Accordingly, no federal tax provision is required. Some states do not accept the S Corporation election or require minimum taxes be paid by S Corporations.

Under California S Corporation statute, the Company will pay California franchise tax of 1.5% on its taxable income. Income tax expense amounted to $800 for the period ended December 31, 2004.

(d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(e) ***Cash and Cash Equivalents***

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and in banks and all highly liquid debt instruments with original maturities of three months or less.

(f) ***Initial Franchise Sales and Continuing Franchise Fees***

The Company will defer initial franchise fees and related costs until such time as certain services have been performed, a specified portion of the initial franchise fee has been secured in cash, and the franchise has opened for business.

The Company expects to collect continuing franchise fees from its franchisees as a percentage of their reported sales. Continuing franchise fees will be recorded as revenue as collected.

(g) ***Furniture and Equipment***

Furniture and equipment are stated at cost. Depreciation and amortization have been provided on the straight-line method over the estimated useful lives of the related assets.

(2) Commitments

The Company's Parent has contracted with a third party for the development of its Business Management Software System that will support the operational activities of the Company and its franchisees. The professional services component of the contract totals $249,000, of which $159,133 has been incurred through December 31, 2004 and charged to expense as a development cost. Additionally, it is estimated in the contract with the third-party developer that the Company will spend at least $103,000 to obtain software licenses for pre-existing software and $200,000 for hardware in connection with the execution of the development agreement. Of this, $44,827 and $72,927 have been incurred through December 31, 2004, for software and hardware, respectively, and capitalized as construction in progress in furniture and equipment (see note 3).

(3) Furniture and Equipment

Furniture and equipment consist of the following at December 31, 2004:

	Estimated useful life	
Computer equipment and software	3 – 5 years	$ 7,490
Furniture and fixtures	3 – 8 years	3,083
Construction in progress	3 – 5 years	117,754
		128,327
Less accumulated depreciation and amortization		(1,272)
		$ 127,055

(4) Related Party Transactions

During 2004, FSI incurred certain costs related to general and administrative expenses, capitalized assets, and prepaid expenses totaling $510,260, $128,327, and $8,925, respectively, on behalf of the Company. These costs have been reflected in the Company's financial statements. At December 31, 2004, $179,489 has not been repaid and is included in the payable to parent in the accompanying balance sheet.

In the expenses mentioned above is $72,522 paid to Summit, a wholly owned subsidiary of the Company's Parent, for marketing consulting services. These expenses are included in general and administrative expenses in the accompanying statement of operations.