

To simplify the language of this Offering Circular “TeamLogic, Inc.” means the Franchisor. “You” means the person or entity who buys the Franchise. If the person who buys the Franchise is a corporation, a limited liability company, or other legal entity, “you” includes all owners of the legal entity.

## **ITEM 1. FRANCHISOR, ITS PREDECESSORS AND AFFILIATES**

### **THE FRANCHISOR, PREDECESSORS AND AFFILIATES**

TeamLogic, Inc. (“TeamLogic”) incorporated on September 1, 2004 in California. TeamLogic has its principal place of business at 26722 Plaza Drive, Mission Viejo, California 92691. TeamLogic began offering franchises for computer consultation, repair, and maintenance in January 2005. It has not conducted business in any other line of business or offered franchises in any other line of business. TeamLogic does not operate businesses of the type being franchised. As of December 31, 2005 there were 8 TeamLogicIT<sup>®</sup> franchised businesses

TeamLogic has no predecessors. It is 100% owned by Franchise Services, Inc., a California corporation also located at 26722 Plaza Drive, Mission Viejo, California 92691. Franchise Services, Inc., established in 1996, as a service company that owns, operates, and manages a variety of well-known international franchise brands and other companies. Franchise Services, Inc. is a wholly owned subsidiary of KOAH, Inc., a Delaware corporation (“KOA”).

Franchise Services, Inc. owns, operates, and manages the following companies: Sir Speedy, Inc., a California corporation, which has franchised printing and copying centers since 1968 and has 450 centers; as of December 31, 2005 Postal Instant Press, Inc., a Delaware corporation, which has franchised printing and copying centers since 1968 and has 239 centers as of December 31, 2005; MultiCopy BV, a Netherlands corporation, which has franchised printing and copy centers since 1981 and has 70 centers as of December 31, 2005; Digital Quickcolor, Inc., a California corporation, provides research and development for Sir Speedy, Inc., Postal Instant Press, Inc.; and Summit Marketing Communications, Inc., a Colorado corporation, which provides advertising and media services to Sir Speedy, Inc., Postal Instant Press, Inc., and TeamLogic, Inc. None of these franchise companies has offered franchises in any other lines of business. Except as stated above, none of these affiliates provides any products and services to the TeamLogic franchises. Neither TeamLogic, nor any of its affiliates own or operate any TeamLogic IT<sup>®</sup> Businesses.



### **DESCRIPTION OF FRANCHISES**

A TeamLogic IT<sup>®</sup> Franchise (also referred to as “Business”) is an information technology business providing computer consultation, maintenance and repair services targeted to small business and high-end residential customers via specially trained certified technicians required to pass online training. Certifications are obtained through online training from third party vendors, such as CompTIA<sup>®</sup> and Microsoft<sup>®</sup>, and specific requirements are outlined in the Operations Manual. The TeamLogic IT<sup>®</sup> Business offers a list of required Core services that are outlined in the Franchise Agreement. Additional, more sophisticated, Non-Core services can also be offered at the franchisee’s option, with appropriately

trained, certified technicians. The TeamLogic IT® Business will proactively work with their customers to help determine if they have the correct IT equipment to properly meet their current and future needs, and will partner with their customers, on a reactive basis to help them repair their IT equipment and services when the systems fail. In addition to the Core and Non-Core services, the TeamLogic IT® Franchise will offer Preventative Maintenance Packages to clients with technology which will monitor servers and desktops for virus protection, help to prevent problems, allow for local and remote back-up, and provide performance reports of the client's system.

A TeamLogic IT® Franchise is represented by a unique and proprietary Vehicle Graphics Package, which is installed on a TeamLogic approved vehicle. Currently approved TeamLogic vehicles are the Chrysler Jeep Liberty and the Plymouth Mini Cooper. Details on the approved Vehicle Graphics Package and vehicle costs are in Item 7.

### CORE SERVICES

The core services that a TeamLogic IT® Franchisee will offer include:

- Computer System Assessment
  - Network Integrity
  - Security System Integrity
    - Check the current status of Virus Protection, Firewalls and Data Backup systems
- On-Site Services
  - Service, Troubleshooting and Repair
- Installation of Hardware and Software
- Computer Desktop and Laptop Repair
- Security, Firewall and Content Filtering Systems
- Wired and Wireless Communication and Networking
  - Consultation
  - Installation
  - Servicing
  - Updates
- Data Recovery
- Data Backup Systems Installed and Maintained
- Service Maintenance Agreements
- Broadband and Dial-up Installation
- Virus Detection and Removal
- Spam Management, Filtering and Control Systems
- Performance Optimization and Upgrade Analysis and Recommendations
- Documentation and Uniform System Policies
- Comprehensive Systems Inventory

You will face competition from other computer repair businesses, including large franchised or non-franchised national chains as well as small independent computer repair businesses. The computer market is highly developed in many states.

TeamLogic utilizes franchising as its business strategy for expansion in the United States. We grant franchises with care to individuals we believe are qualified financially, have acquired the business acumen to handle running one's own business, have the personality traits most desirable to follow the TeamLogic IT® System to enhance the brand, and have a burning desire for success.

You will need to obtain the proper business license(s) from the proper licensing agencies. In addition, you will be subject to other federal, state, and local laws, regulations and ordinances generally applicable to retail business. We urge you to investigate the laws, regulations, and ordinances applicable to your Business in your state. See Exhibit "B" for our Agents for Service of Process.

**ITEM 2.**  
**BUSINESS EXPERIENCE**

**CHIEF EXECUTIVE OFFICER, DIRECTOR: DON F. LOWE**

Don Lowe is the Chief Executive Officer of TeamLogic, Inc. and is a Director. Mr. Lowe is also the Chief Executive Officer of Franchise Services, Inc. (parent of TeamLogic, Inc.) in Mission Viejo, California since its inception in 1996, as well as Chief Executive Officer of Sir Speedy, Inc. (affiliate of TeamLogic, Inc.) in Mission Viejo, California since 1996. Previously, Mr. Lowe served as President of Sir Speedy, Inc. from April 1981 to September 1996. Before joining Sir Speedy, Inc., Mr. Lowe served as Senior Vice President for Kampgrounds of America, Inc. in Billings, Montana.

**PRESIDENT, DIRECTOR: CHARLES R. LENNON**

Charles Lennon is the President of TeamLogic, Inc., and is a Director. Mr. Lennon also oversees the Initial Training for TeamLogic IT<sup>®</sup> franchisees. Previously, Mr. Lennon was Vice President of Marketing for New Horizons Computer Learning Centers, Inc., a computer training company in Anaheim, California from May 1999 to 2004. Prior to that, Mr. Lennon was Vice President of Marketing for Sir Speedy, Inc. in Mission Viejo, California, from 1996 through April 1999 and Assistant Vice President for Sir Speedy, Inc., from 1994 through 1996. He is a graduate of Iona College with degrees in Advertising and Public Relations.

**DIRECTOR OF IT: VINCENT PLAZA**

Vincent Plaza was appointed the Director of IT for TeamLogic, Inc. in September 2004. Mr. Plaza is responsible for all maintenance and enhancements of the Business Management Software System and will also conduct the technology portions of the Initial Training for TeamLogic IT<sup>®</sup> Franchisees. Previously, Mr. Plaza was employed by Marie Callender's Pie Shops, Inc., in Aliso Viejo, California from April 2003 to March 2004, as the Director of IT; by Westwind Group in San Diego, California from April 1998 to March 2003 as the Director of IS; by CKE Restaurants in Anaheim, California from September 1996 to April 1998 as Manager of Corporate Systems; by Fidelity National Title in Irvine, California from June 1993 to September 1996 as VP of Information Systems.

**CHIEF FINANCIAL OFFICER, SECRETARY, TREASURER, DIRECTOR: DANIEL J. CONGER**

Daniel Conger is the Chief Financial Officer, Secretary, and Treasurer of TeamLogic, Inc. and is a Director. Mr. Conger also serves as Chief Financial Officer, Secretary and Treasurer of Franchise Services, Inc., in Mission Viejo, California since 1996 and Chief Financial Officer, Secretary and Treasurer of Sir Speedy, Inc., in Mission Viejo, California since 1992.

## FRANCHISE BROKERS

TeamLogic, Inc. currently utilizes the following Franchise Brokers to assist in the process of franchise sales consultation, leads, development, prospecting, and qualifying prospective franchisees. The current brokers are Lisa Ross, Allan Fera and Warren Dee Plunkett, Jr.

### ITEM 3. LITIGATION

No litigation (or arbitration) is required to be disclosed in this Offering Circular.

### ITEM 4. BANKRUPTCY

No person previously identified in Items 1 and 2 of this Offering Circular has been involved as a debtor in proceedings under United States Bankruptcy Code which is required to be disclosed in this Item.

### ITEM 5. INITIAL FRANCHISE FEE

You must pay an Initial Franchise Fee of twenty five thousand dollars (\$25,000) payable at the time you sign the Franchise Agreement. If you qualify for a Vet★Fran discount, the Initial Franchise Fee is twenty thousand dollars (\$20,000). See Exhibit "D" for the form of Franchise Agreement you will execute. The initial Franchise Fee covers training including transportation for one (1) person plus the training fee for a second (2<sup>nd</sup>) person. This fee is non-refundable unless you do not pass the Initial Training, in which case, we will refund your Franchise Fee less our direct costs associated with this Franchise, which may range between two thousand five hundred dollars (\$2,500) to ten thousand dollars (\$10,000).

You may purchase additional TeamLogic IT<sup>®</sup> Franchises for the Initial Franchise Fee of fifteen thousand dollars (\$15,000). You must obtain TeamLogic's prior written approval to open an additional TeamLogic IT<sup>®</sup> franchise location, and sign a new, then current form Franchise Agreement for a TeamLogic IT<sup>®</sup> franchise. In order to purchase additional franchises, you must not be in default of your existing Franchise Agreement.

If you are converting your independent computer repair, maintenance and consultation business into a TeamLogic IT<sup>®</sup> franchise, your Initial Franchise Fee is twelve thousand five hundred dollars (\$12,500), and you must sign the Conversion Addendum in Exhibit "F". There are no circumstances where the Franchise Fee for a conversion is refundable.

### ITEM 6. OTHER FEES

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
CONTINUING FRANCHISE FEES (1)(8)	Greater of 10% Gross Sales or \$125 per week	Weekly; collected electronically by Franchisor <sup>(7)</sup>	Gross sales include all revenue related to the Business, other than Preventative Maintenance Packages and sales of any hardware and software
ADVERTISING FUND <sup>(2)</sup>	Greater of 2 % of Gross Sales or \$50 per week	Weekly; collected electronically by Franchisor <sup>(7)</sup>	Gross sales include all revenue related to the Business, other than Preventative Maintenance Packages and sales of any hardware and software

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
PREVENTATIVE MAINTENANCE PACKAGE FEES <sup>(3)</sup> , <sup>(7)</sup>	Will range from \$7 to \$50 per machine, per month, depending on the desired level of maintenance package	Monthly; collected electronically by Franchisor <sup>(7)</sup>	There are five (5) different maintenance packages. Fees for each package range from seven dollars (\$7) to fifty dollars (\$50) per machine per month.
ADDITIONAL TRAINING FEE <sup>(4)</sup>	The then-current training fees for additional persons	At time of additional training	Payable if more than two (2) people attend Initial Training; you must also pay your travel, hotel, and meals for additional trainee(s) beyond one (1)
NATIONAL ACCOUNTS ADMINISTRATION FEE	Up to 2% of the transaction amount	Weekly	If a National Account pays Franchisor directly, Franchisor will collect the funds, deduct Continuing Franchise Fees/Ad Fees or other fees owed to it, then disburse balance to Franchisee. If National Account pays Franchisee directly, Franchisee will record the business activity in the Business Management Software System and Franchisor will deduct associated fees in its usual manner of weekly debits.
TRANSFER FEE <sup>(5)</sup>	The then-current transfer fee being charged the year you transfer	Before consummation of transfer	Payable instead of the Initial Franchise Fee
AUDIT FEE <sup>(6)</sup>	Cost of audit	Upon demand	You must pay only if audit shows an understatement of at least 2% of gross sales for any 8 week period
INTEREST	Maximum rate permitted by law	Upon demand	Payable on overdue amounts
RENEWAL FEE	\$2,000	Upon renewal	

Notes:

- (1) Minimum Continuing Franchise Fees are waived for the first six (6) months in business if the ten percent (10%) does not reach the minimum of one hundred twenty five dollars (\$125). All fees are imposed by and payable to TeamLogic and are non-refundable. The term "Gross Sales" includes all sales by your Business (other than revenue from Preventative Maintenance Packages and the sale of any hardware and software) for all services, goods, products, and hardware and software installation, for cash, check, credit, and barter without deduction for failure to collect. Gross Sales does not include any sales taxes or use taxes.
- (2) Minimum Advertising Fund Fees are waived for the first six (6) months in business if the two percent (2%) does not reach the minimum of fifty dollars (\$50). All fees are payable to the TeamLogic IT<sup>®</sup> Advertising Fund, and are non-refundable. You and other Franchisees may join together to form a local advertising cooperative to collect dues and conduct joint advertising. Typical monthly dues range from fifty (\$50) to five hundred (\$500) dollars.
- (3) Fees for the Preventative Maintenance Package will depend on the package level. There are five (5) different levels, detailed in the Operations Manual. A "machine," is defined as, any hardware that is connected to the Business Management Software System. We collect this fee electronically on a monthly basis for the sales of preventative maintenance packages made the prior month, whether or not you have collected from your customer.
- (4) The training fee applies to additional people sent to training by you over and above the two (2) provided for in your Franchise Agreement. In 2006, the Initial Training fee is \$1,000 and the online training fees range from \$500 to \$2,000 per technician per year depending on the number of online courses taken.
- (5) If you transfer your Franchise, the transfer fee will be that transfer fee charged in the year you seek to transfer your Franchise. In 2006, the transfer fee is ten thousand dollars (\$10,000).
- (6) An audit may cost anywhere from zero (\$0) to three thousand five hundred (\$3,500) dollars depending on the scope of the audit.

- (7) The Franchise Agreement authorizes the Franchisor to debit the Franchisee's bank account for Continuing Franchise Fees, Advertising Fees, and Preventative Maintenance Package Fees.
- (8) Continuing Franchise Fees for an independent computer service business converting to a TeamLogic IT® Business are waived on existing customers.

**ITEM 7.  
INITIAL INVESTMENT**

INVESTMENT	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS MADE
INITIAL FRANCHISE FEE <sup>(1)</sup>	\$12,500 to \$25,000	Lump Sum	Upon execution of the Franchise Agreement	TeamLogic, Inc
VEHICLE EXPENSE <sup>(2)</sup>	\$210 to \$300 month if leased; \$16,590 to \$22,000 if purchased	Varies	As agreed	Approved outside vendor
VEHICLE GRAPHICS PACKAGE <sup>(2)</sup>	From \$425 to \$2,600	As incurred	As agreed	Approved outside vendor
OFFICE FURNITURE AND SUPPLIES <sup>(3)</sup>	From \$500 to \$2,000	As incurred	As agreed	Various outside suppliers
INITIAL EQUIPMENT <sup>(4)</sup>	From \$3,000 to \$6,000	As incurred	As agreed	Approved outside vendor
SOFTWARE LICENSES <sup>(5)</sup>	From \$2,000 to \$3,500	As incurred	As agreed	Approved outside vendor
REAL ESTATE LEASEHOLD IMPROVEMENTS <sup>(6)</sup>	Monthly rent; No specific leasehold improvements required	As incurred	As agreed	Lessor
ADDITIONAL FUNDS <sup>(7)</sup>	From \$40,000 to \$60,000	As incurred	As agreed	Various
TOTAL ESTIMATED INITIAL INVESTMENT	From \$58,425 (leased vehicle) up to \$121,100 (purchase vehicle)			

Your salaries, draws, or personal living expenses (including your automobile) are not included in the above tables. You must have additional sums available (whether in cash, credit or collateral) to cover these expenses. No part of your initial investment in your TeamLogic IT® franchise will be financed by us.

Notes:

- (1) The Initial Franchise Fee is twenty five thousand dollars (\$25,000) for a new franchise; Vet★Fran Discount franchise fee is twenty thousand dollars (\$20,000); multiple franchise fee is fifteen thousand dollars (\$15,000); and the fee for a conversion franchise is twelve thousand five hundred dollars (\$12,500). The initial Franchise Fee includes training for two (2) people.
- (2) You must purchase, lease or otherwise acquire an approved vehicle for the operations of your business. Currently, the only approved TeamLogic IT® vehicles are the Jeep Liberty and the Mini Cooper. It is strongly suggested that each time you add a service technician to your staff, that you also add another vehicle for that technician to drive while servicing your clients. The vehicle(s) must be maintained in a neat, clean, undamaged and safe condition. All damages must be repaired in a prompt and timely manner. All vehicles must be outfitted with the approved Vehicle Graphics Package. As of the date of this Offering Circular, the purchase price for a Jeep Liberty or a Mini Cooper ranges from sixteen thousand five hundred ninety dollars (\$16,590) to twenty-one thousand eight hundred forty dollars (\$21,840), and the lease cost ranges from two hundred ten dollars (\$210) to three hundred dollars (\$300) a month with a minimum of one thousand dollar (\$1,000) down payment. Local market conditions will impact the pricing arrangements being offered. It is essential that the vehicle(s) you and your technicians utilize for visiting customers have adequate TeamLogic IT® signage and graphics. The vehicle signage and graphics serves as an important component of your businesses marketing efforts. Pricing Guidelines: Two Magnetic Signs for the sides of the Vehicle: one hundred dollars (\$100) to one hundred fifty dollars (\$150) each; plus Three Window Decals: seventy-five dollars (\$75) to one hundred

fifty dollars (\$150) each; or One Complete Vehicle Wrap: two thousand dollars (\$2,000) to two thousand six hundred dollars (\$2,600).

- (3) **Office Furniture and Supplies.** Franchisee will be required to acquire appropriate furniture, fixtures, décor, desks, chairs, tables, storage cabinets, file cabinets, and office supplies to properly outfit the Business location. Depending on the quantity of materials that are purchased, the size of the Business location to be outfitted, and the quality of the materials that are purchased, it is estimated that this cost will range from five hundred dollars (\$500) to two thousand dollars (\$2,000).
- (4) **Initial Equipment.** You must purchase, lease or otherwise have certain hardware and software, and telephone equipment. It is estimated that this hardware and software package will range in cost from three thousand dollars (\$3,000) to six thousand dollars (\$6,000). The current equipment configuration are two (2) Windows-based computers (1 must be a laptop) that are capable of accessing the Business Management Software System, two (2) Personal Digital Assistants, and a telephone system capable of forwarding calls to remote numbers, with a voice mail system that can be easily accessed from the field.
- (5) **Software Licenses.** You must purchase/acquire the necessary third party software licenses to operate the Business. The estimated cost for this is two thousand dollars (\$2,000) to three thousand five hundred dollars (\$3,500). TeamLogic or its parent may have contracted with software manufacturers e.g. Microsoft® to buy the licenses and resell them to the franchisee. If we do this, we do not mark up the software price.
- (6) **Real Estate Leasehold Improvements.** If you do not own adequate shop space, you must lease a space of approximately 700 square feet in a light industrial area. Rent will depend on the particular area and the specific location. No particular leasehold improvements are required; however, the space should be suitable to adequately house the office and computer equipment.
- (7) **Additional Funds.** Additional funds is an estimate of the funds needed for initial employee wages, utility deposits, insurance, initial advertising, legal and accounting fees, permit costs, dues (including dues for being a member of local community groups such as the Chamber of Commerce) uniforms, recruitment, on-site training expenses, high speed internet connection set up, merchant account set up, initial inventory of computer supplies, as well as additional operating capital for other variable costs (e.g. rent, electricity, telephone and heat), paper, cleaning and other supplies. Additional funds are also an estimate of the monies you will need on hand during the initial phase of the Business operations. We estimate that the amount given will be sufficient for a six (6) month start-up phase. However, this is a new franchise, and our actual break even timing can vary based on many factors including how well you follow our systems, actual market conditions and demand, competition, fixed costs, etc.

These figures are estimates only and it is possible to significantly exceed costs in any of the areas listed. We cannot guarantee that you will not have additional expense starting the franchise. Your costs will depend upon such factors as: how much you follow our methods and procedures; your management experience and skills; whether you personally manage the business or hire a manager; the area in which your Business is located; local economic conditions; prevailing wage rate TeamLogic IT®; the physical size of your location; the amount of tenant improvements required; the prevailing wage rate; competition; and the sales level reached during the initial period. You should review these figures carefully with a business advisor before making any decision to purchase a Franchise.

## **ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

You must buy or lease certain basic computer hardware and software to adequately serve your customers' needs. The hardware may be purchased or leased from any source. In addition to the hardware and software to operate your TeamLogic IT® Business, you must have an approved vehicle used for the TeamLogic IT® Business ("Business Vehicle") and such Business Vehicle must be outfitted with the required Vehicle Graphics Package pursuant to our specifications. Currently the only approved Business Vehicles are the Jeep Liberty and the Mini Cooper. In addition, you must have available a current inventory of computer supplies as we designate, for transport in the Business Vehicle, and available for immediate sale to customers.

At present, TeamLogic does not require suppliers to be approved. The hardware, software, Business Vehicle, and computer supplies may be purchased from any supplier. TeamLogic may in the

future negotiate purchase arrangements and price terms with some vendors for the benefit of Franchisees. At this time, TeamLogic does not act as a supplier or have any affiliates who are approved suppliers of required equipment, computer supplies, Business Vehicle or Vehicle Graphics Package, and does not derive any revenue or other material consideration as a result of required purchases or leases, but we reserve the right to do so in the future. Currently, there are no purchasing or distribution cooperatives.

We estimate that your purchase of the required hardware, software, and if leasing the Business Vehicle, will be approximately seven percent (7%) to twelve percent (12%) of the total cost to establish the TeamLogic IT® Business and if purchasing the Business Vehicle, will be approximately thirty-two percent (32%) to fifty-four percent (54%) of the total costs to establish the TeamLogic IT® Business. We estimate that your lease of the Business Vehicle will be less than one percent (1%) of the cost to initially operate the TeamLogic IT® Business.

Prior to opening your TeamLogic IT® Business, and at all times during the conduct of your TeamLogic IT® Business, you must have one or more technicians who have met the requirements of Level 1 Certification. Certification Levels and requirements are described more fully in the Franchise Agreement and the Operations Manual.

### ITEM 9. FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Offering Circular.

OBLIGATION		SECTION IN FRANCHISE AGREEMENT	ITEM IN OFFERING CIRCULAR
a.	Site selection & acquisition/lease	Sections 3.2, 5.2, 10.2d	Item 11
b.	Pre-opening purchases/leases (equipment)	Sections 6.3, 6.7, 6.10, 6.12, 6.13	Item 8
c.	Site development & other pre-opening requirements in this table	Sections 6.2, 6.3, 6.4, 6.5, 6.15	Items 8 & 11
d.	Initial & ongoing training	Section 6.4	Item 11
e.	Opening	Section 5.2	Item 11
f.	Fees	Section 3	Items 5 & 6
g.	Compliance with standards & policies/Operations Manual	Section 6.10	Item 11
h.	Trademarks & proprietary information	Sections 2.1, 6.17, 8	Items 13 & 14
i.	Restrictions on products/services offered	Section 6.12	Item 16
j.	Warranty & customer service requirements	None	
k.	Territorial development & sales quotas	None	
l.	Ongoing product/service purchases	Section 6.11	
m.	Maintenance, appearance & remodeling requirements	Section 6.6	Item 11
n.	Insurance	Section 6.15	Item 7
o.	Advertising	Sections 3.3, 3.4	Items 6 & 11
p.	Indemnification	Section 13.1a	



OBLIGATION		SECTION IN FRANCHISE AGREEMENT	ITEM IN OFFERING CIRCULAR
q.	Owner's participation/ management/staffing	Section 6.2	Items 11 & 15
r.	Records/reports	Section 6.11	
s.	Inspections/audits	Section 6.19	Item 6
t.	Transfer	Section 11	Items 6 & 17
u.	Renewal	Section 7.2	Item 17
v.	Post-termination obligations	Section 10	Item 17
w.	Non-competition covenants	Section 6.17	Item 17
x.	Dispute resolution	Section 12	Item 17

### ITEM 10. FINANCING

TeamLogic does not offer direct financing and we are not, nor do we intend to become, a lender.

TeamLogic does not arrange financing from other sources.

TeamLogic does not receive direct or indirect payments for placing financing.

TeamLogic does not guarantee your obligations to third parties.

TeamLogic does not have any past or present practice or intent to transfer, assign, discount or sell to a third party, in whole or in part, any note, contract or other instrument signed by you, however, TeamLogic reserves the right to do so in the future.

### ITEM 11. FRANCHISOR'S OBLIGATIONS

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

#### **Pre-Opening Obligations:**

Prior to the opening of your TeamLogic IT<sup>®</sup> Business, TeamLogic will:

1. Provide you with one copy of our proprietary Operations Manual and provide you with updates and changes to the Operations Manual, which may be provided for you electronically (Franchise Agreement, Sections 4.1(a) and 6.10). This Manual is confidential and remains TeamLogic's property. TeamLogic may modify, add to, or delete from the manual; the modifications will not alter your status or rights under the Franchise Agreement. The Table of Contents for the Operations Manual is attached as Exhibit "C".
2. Award you a protected territory as described in Item 12 (Franchise Agreement, Section 5);
3. Provide you Initial Training as described in this Item 11 below (Franchise Agreement, Section 4.1c);

4. Provide you with the initial supply of sales, marketing, and advertising tools and materials (Franchise Agreement, Section 4.1d).
5. Provide you with signage specifications for your TeamLogic IT® location (Franchise Agreement, Section 4.1a & 6.7);
6. Provide specifications for the Vehicle Graphics Package (Franchise Agreement, Sections 4.1f & 6.3);
7. Provide you with specifications for the required hardware and software (Franchise Agreement, Sections 4.1g);
8. Provide you with specifications for required software licenses (Franchise Agreement, Section 4.1h);
9. Provide you with specifications for the certified technicians beyond the minimum Level 1 Certified Technician (Franchise Agreement, Section 4.1i);
7. Provide you with access to the Business Management Software System (Franchise Agreement, Sections 4.1j & 6.11); and
8. Provide you with a dedicated TeamLogic IT® website for your location which will be linked to the master website at [www.teamlogicIT.com](http://www.teamlogicIT.com) (Franchise Agreement, Section 4.1k and 6.13).

**Continuing Obligations:**

Once your TeamLogic IT® Business is open, TeamLogic will:

1. Provide you with current available resources, which as of 2006, include (Franchise Agreement, Section 4.2):
  - Periodic consulting and assistance by TeamLogic representatives;
  - Toll-free support line for telephone consulting;
  - Periodic marketing materials and assistance (as described below);
  - Periodic seminars and regional meetings;
  - Advice and information about new developments in the computer consultation, repair and maintenance industry;
  - Advertising materials (as described below);
  - Ongoing access to the Business Management Software System.
2. Administer the Advertising Fund (Franchise Agreement, Section 4.3). See “Advertising” below.

TeamLogic is not obligated to perform these services to your particular level of satisfaction, but as a function of our experience, knowledge and judgment.

**INITIAL TRAINING**

Before opening your TeamLogic IT® Business, TeamLogic will train you and one additional person at our corporate training facility currently located in Mission Viejo, California. The instructional materials include an Operations Manual, printed handouts, audio/visual presentations, hands-on

instruction, role-play, case studies, and group interaction. Your training fee will cover all training expenses for one (1) person to attend this Initial Training, including airfare for one (1), hotel accommodations for one (1) and some meals.

We will train a second (2<sup>nd</sup>) person at no additional training fee, however, you (or the trainee) will be responsible for all transportation, lodging, and miscellaneous expenses for the second (2<sup>nd</sup>) person. Additional trainees beyond two (2) will be charged the respective training fee that is offered at the time in which additional trainee attends training. The additional trainee(s) will be responsible for their own transportation, lodging, and miscellaneous expenses.

The Initial Training, which is five (5) days in duration and consists of thirty-five and one half (35.5) hours is required for the TeamLogic IT<sup>®</sup> owner and manager.

The instructors for the Initial Training will consist of officers and employees of TeamLogic and Franchise Services, Inc. as well as outside consultants. The Initial Training program is supervised by Charles R. Lennon and Vincent Plaza. Mr. Plaza teaches all areas of information technology operations and has over ten (10) years experience in this field. Mr. Lennon teaches other areas of training and has over fifteen (15) years experience in franchise operations. See Item 2 for their related experience.

Our Initial Training is held several times per year. Hours of instruction, per operating system are as follows:

OPERATING SYSTEM	HOURS OF CLASSROOM TRAINING
<p><b>TECHNOLOGY MANAGEMENT TRAINING:</b></p> <p><b>BUSINESS MANAGEMENT SOFTWARE SYSTEM</b></p> <ul style="list-style-type: none"> <li>• Communication</li> <li>• Collaboration</li> <li>• Financial Resources</li> <li>• Organization Tools</li> </ul> <p><b>SCHEDULING</b></p> <ul style="list-style-type: none"> <li>• Technician Utilization Rates</li> <li>• Best Resources focused on Best Customers</li> </ul> <p><b>KNOW MORE THAN YOUR CUSTOMERS</b></p> <ul style="list-style-type: none"> <li>• Ongoing skills training</li> <li>• Reading and Browsing</li> <li>• Keeping up with the latest information</li> </ul>	<p>15.5</p>

OPERATING SYSTEM	HOURS OF CLASSROOM TRAINING
<p><b>EMPLOYEE MANAGEMENT TRAINING:</b></p> <p><b>HIRE SMART</b></p> <ul style="list-style-type: none"> <li>• Hire on Attitude</li> <li>• You cannot train someone to “be happy”</li> <li>• Great customer service will help you retain great customers</li> <li>• Ensure they have the appropriate attributes and skills</li> </ul> <p><b>TRAIN, TRAIN AND TRAIN</b></p> <ul style="list-style-type: none"> <li>• Help your people be smarter</li> <li>• Encourage learning</li> <li>• Attend Conventions and Regional Meetings</li> <li>• Use the Business Management Software System</li> <li>• Find good outside resources</li> </ul> <p><b>COACHING IS KEY</b></p> <ul style="list-style-type: none"> <li>• Develop and follow an employee management plan</li> <li>• Document and correct poor performance</li> <li>• Recognize and reward good performance</li> </ul> <p><b>TERMINATION HAPPENS</b></p> <ul style="list-style-type: none"> <li>• Make a decision and act on it</li> <li>• Follow the rules</li> <li>• Don’t let a bad situation linger</li> </ul>	5.5
<p><b>MARKETING MANAGEMENT TRAINING:</b></p> <p><b>WORK THE MARKETING AND SALES SYSTEM</b></p> <p><b>BRAND AWARENESS</b></p> <ul style="list-style-type: none"> <li>• Local Advertising</li> <li>• Yellow Pages</li> <li>• Sponsorship Activities</li> </ul> <p><b>PROACTIVE LEAD GENERATION</b></p> <ul style="list-style-type: none"> <li>• Direct Mail</li> <li>• Telemarketing</li> <li>• Networking</li> </ul> <p><b>THE SALES CYCLE</b></p> <ul style="list-style-type: none"> <li>• Qualify your lead</li> <li>• Needs assessment</li> <li>• Estimate timeframes</li> <li>• Determine positioning</li> <li>• Follow-up, Follow-up, Follow-up</li> </ul> <p><b>CUSTOMER MANAGEMENT SYSTEM</b></p> <ul style="list-style-type: none"> <li>• Get them into the “Customer Bucket”</li> <li>• Understand them, ask questions, sell to them</li> <li>• Manage them proactively</li> <li>• Become their Partner not their Vendor</li> </ul>	9.5

OPERATING SYSTEM	HOURS OF CLASSROOM TRAINING
<b>FINANCIAL MANAGEMENT TRAINING:</b> <b>CASH IS KING</b> <ul style="list-style-type: none"> <li>• Cash runs the business</li> <li>• Cash gives you flexibility</li> <li>• Cash expands your options</li> </ul> <b>USE THE TOOLS AND THE PROGRAMS</b> <ul style="list-style-type: none"> <li>• Cash Flow Statement, Balance Sheet, Profit and Loss</li> <li>• Business Management Software System</li> </ul> <b>WORK YOUR ACCOUNTS RECEIVABLE</b> <ul style="list-style-type: none"> <li>• Establish a Policy</li> <li>• Monitor your receivables</li> <li>• Follow-up on your aging</li> </ul> <b>MONTHLY ACTIVITIES</b> <ul style="list-style-type: none"> <li>• Cash Flow and Budget Projections</li> <li>• "Accrual" Financial Statement</li> <li>• Operating Ratios</li> <li>• Net Loss or Gain</li> </ul>	5.0

You will leave the Initial Training with a customized business plan to implement and follow during the first year of operation.

If at the end of the Initial Training, we determine, in our sole discretion, that you are not qualified to operate a TeamLogic IT® Business, we have the right to unilaterally terminate the Franchise Agreement. In that case, we will refund your Franchise Fee less our direct costs associated with this Franchise. We have the right to require that you and any managers or other employees, complete additional and refresher training programs during the term of the franchise, as new technology emerges in conjunction with the services and products offered at your TeamLogic IT® Business. There may be a charge for attending those programs and you will be responsible for your costs associated with attending training, such as travel, hotel and meals.

TeamLogic may provide periodic assistance, at our cost, but the nature, frequency and duration of this assistance is at our discretion. We are available by telephone and e-mail for specific concerns relating to the operation and management of your TeamLogic IT® Business.

#### **MARKETING MATERIALS AND ADVERTISING PROGRAMS**

A major emphasis is placed on marketing the TeamLogic IT® System. You will be provided a comprehensive set of advertising, marketing and sales materials at no additional cost for your local marketing use. These materials currently include electronic and hard copy slicks of local print advertising, yellow pages advertising, online advertising banner templates, sales call leave-behind materials, and PowerPoint sales presentations and templates.

Also, at no additional cost to you, we currently have marketing materials designed specifically to help promote the Preventative Maintenance Package marketing, including sales tips and techniques, sales call leave-behind materials, promotional samples, and stickers for the clients' computers and servers.

There are several other optional marketing tools and programs that are available for various

charges including supplemental vehicle graphics, advertising specialties, and an extensive line of TeamLogic IT<sup>®</sup> apparel. The costs of these items vary and are optional.

We maintain, for your benefit, a network-wide Internet presence at [www.teamlogicIT.com](http://www.teamlogicIT.com). The primary purpose of this website is to build awareness of the capabilities of the TeamLogic IT<sup>®</sup> network, serve as a business locator so potential clients can quickly and easily locate the nearest TeamLogic IT<sup>®</sup> business, and drive prospective sales leads to your business. A website URL will be assigned to you and a standard TeamLogic IT<sup>®</sup> website will be created for your TeamLogic IT<sup>®</sup> Business and will be linked and available from our master website ([www.teamlogicIT.com](http://www.teamlogicIT.com)). If you desire to create a separate (more elaborate) TeamLogic IT<sup>®</sup> website, you may do so at your cost, however, you must obtain prior approval for the design and content and must use a specific website URL address which we will assign.

We have a network advertising program to promote the TeamLogic IT<sup>®</sup> brand on a national basis (Network Advertising Program). The Network Advertising Program is funded through a network advertising fund paid by all TeamLogic IT<sup>®</sup> Franchisees ("Ad Fund"). The Franchisor does not contribute to this Ad Fund. You must pay weekly advertising fees to the Ad Fund of two percent (2%) of your weekly gross revenues excluding revenues from Preventative Maintenance Packages and revenues from the sales of hardware and software, with a minimum of fifty dollars (\$50) per week. The advertising fees are deposited into a separate bank account which TeamLogic administers. Franchisor owned units will contribute the same basis as Franchisees. The Ad Fund will be used to support the advertising, marketing, public relations and sales activities of the network, as well as the development and maintenance of the network websites. The Network Advertising Program is created for national presence, and is not geared for any specific local or regional area, although certain activities may have presence in some areas more than in others. TeamLogic is not required to spend any particular amount on advertising in any particular franchisee's territory.

All print advertising for the TeamLogic IT<sup>®</sup> Network Advertising Program is currently created by an affiliate of TeamLogic, Summit Marketing Communications, Inc. ("Summit"). Although we are not currently using any Network Advertising Program funds to purchase radio or television media advertising, if and when we do, we will utilize the services of Summit to do so. When Summit purchases radio or television media advertising on our behalf, they will generate typical advertising commissions for the placement of media and for creative development.

TeamLogic allocates one hundred percent (100%) of the Ad Fund revenue to the Network Advertising Program and not to any general administrative expenses or any franchise sales expenses. TeamLogic reserves the right to allocate no more than fifteen percent (15%) of the Ad Fund revenue for general administrative expenses, but does not do so at this time. The Ad Fund does not otherwise benefit TeamLogic or any affiliate. Ad Fund fees not spent in the fiscal year in which they accrue will be carried over to the next fiscal year. TeamLogic will send you an annual financial statement for the Ad Fund.

You may create and utilize your own independent advertising materials with our prior review and approval.

We will form an Owners' Marketing Advisory Council ("OMAC") once the network opens fifty (50) TeamLogic IT<sup>®</sup> Businesses for the purpose of consulting our advertising, marketing and sales programs. OMAC members will serve in an advisory capacity and may be changed or dissolved by TeamLogic in the future.

## COOPERATIVE ADVERTISING

Franchisees in the same geographic area may form a local Advertising Cooperative Association ("ACA") to conduct cooperative local advertising. If a majority of the Franchisees in your area want to form an ACA, you must join and contribute dues agreed to by the majority. TeamLogic will not be a member, but will act in an advisory capacity. Any company-owned TeamLogic IT® Business located in the designated geographic area will also contribute dues. Geographic areas are defined by the Dominate Market Area ("DMA") as defined by the radio and television industries. The ACA members themselves administer the ACA, create the ACA rules and enforce those rules. (Generally, an ACA will have formal Bylaws and Articles of Association prepared, but this is not required by us for an ACA formation). We will recognize an ACA upon a majority of signatures of Franchisees in the area and will provide consultation and advice concerning cooperative advertising in the area. We cannot form, change or dissolve an ACA without a majority vote of that ACA's members. ACA's are not required to prepare annual financial statements. If there is an ACA in existence in your prospective area, you must join it and should obtain information concerning dues and advertising benefits. ACA dues are determined by the members and can range from fifty dollars (\$50) to five hundred dollars (\$500) per month.

## COMPUTER REQUIREMENTS

When you start your new TeamLogic IT® Business, you will be required to purchase several pieces of computer equipment for you and your technicians to access and take advantage of the Business Management Software System, and to communicate effectively with your customers and with us.

At the onset of your Business, you will be required to purchase a minimum of two Windows-based computers which are capable of accessing the Business Management Software System. These can be one workstation and one laptop or two laptop computers. One is meant to remain with the owner at the Business and the other stays with the Technician in the field for dealings with the clients. You will need to scale this inventory and add a laptop for each technician you hire. In addition, each technician that is hired must have a Personal Digital Assistant ("PDA"). The other equipment that the Business will need is a telephone system that is capable of forwarding calls to remote numbers and is equipped with a voicemail system that can be easily accessed from the field. This equipment can be obtained from any source. Franchisee must upgrade such equipment whenever necessary in order to maintain adherence to the specifications set out by Franchisor. No electronic cash register is required at this time.

Through our proprietary Business Management Software System, we will have electronic access to most operational aspects of your TeamLogic IT® Business, including but not limited to, customer identity, sales history, sales forecasting, appointments, invoicing, technician scheduling, etc., however, we will not use the information gained through the Business Management Software System for any purposes not related to the TeamLogic IT® System.

## SITE SELECTION

You must obtain (by lease, purchase or otherwise) a site for your TeamLogic IT® Business within your Territory (as defined below) within ninety (90) days of the date your Franchise Agreement is signed, or we may terminate the Franchise Agreement. We will approve your selected site if it meets the following criteria: The site must be in a non-retail, light industrial area, approximately 700 square feet, and must be inside your Territory. If signage is allowed at the location, the TeamLogic IT® name and logo should be displayed. However, we do not ensure or warrant that your Business will be profitable at a location utilizing our guidelines, or at any location. The length of time between the signing of the Franchise Agreement and the opening of a TeamLogic IT® Business will depend on how quickly the

franchisee finds a site and obtains the necessary equipment and supplies. We estimate this to be between 30 to 60 days if the franchisee is actively involved in this process on a daily basis.

## **ITEM 12. TERRITORY**

We will grant you the right to operate a TeamLogic IT<sup>®</sup> franchise in a specific geographical area we outline, based on the number of businesses between one thousand (1,000) and two thousand (2,000) of the type that we expect to be potential customers of TeamLogic IT<sup>®</sup>, and this geographic area will be designated as your Protected Territory ("Territory"). We look for businesses that employ 5 to 100 employees in all industries excluding retail. Your Territory is identified in the Territory Designation Sheet of your Franchise Agreement. Maintenance of your Territory is not dependent upon maintaining a certain level of sales volume, or any other condition. There are no circumstances under which TeamLogic may modify your Territory without your consent. You must operate your TeamLogic IT<sup>®</sup> Business at a site within the Territory. Your Territory is not a restriction on the customers you may serve; you may sell goods and provide services to customers located anywhere, except for certain National Accounts customers located in your Territory for whom we determine that you are not qualified to provide services. In such case, we may provide the services to such National Account customers either directly or through third parties without consideration to you. The Franchise Agreement grants you a license for a single TeamLogic IT<sup>®</sup> Business in a single location or any approved relocation within your Territory. We will not approve a location or relocation site if it is not within your Territory.

We will not, during the term of the Franchise Agreement, establish, own or operate, or grant a franchise for another person to own or operate, another TeamLogic IT<sup>®</sup> Business within your Territory.

We and our affiliates have and retain the right to directly or indirectly market and/or sell, within or outside of your Territory, products and/or services that are not sold through TeamLogic IT<sup>®</sup> businesses, whether or not they use the Marks without compensation to you. We currently have no present intention to market or sell TeamLogic IT<sup>®</sup> products or services, which are offered at your TeamLogic IT<sup>®</sup> Business, inside your territory, but we reserve the right to do so through alternative means of distribution, in the future, or through future company owned TeamLogic IT<sup>®</sup> Businesses located outside your Territory.

It is possible that we, or an affiliate may in the future, acquire or be acquired by, a competing chain of locations offering the same or similar services as those offered by a TeamLogic IT<sup>®</sup> Business. Should this happen, there may be a location of the acquired brand already existing in your Territory, and we reserve the right to maintain that other brand location, however we will not open or franchise any additional locations of the other brand in your Territory.

## **ITEM 13. TRADEMARKS**

As of the date of this Offering Circular, TeamLogic has a registered trademark with the United States Patent and Trademark Office ("PTO") which was registered on December 6, 2005 for the mark, "*TeamLogic IT<sup>®</sup>*" and design, in international classes 35, 37, and 42 (Registration No. 3022738).

There currently are no effective determinations of the PTO, the Trademark Trial and Appeal Board, the trademark administrator or court, nor is there any pending infringement, opposition or cancellation proceeding, nor any pending material litigation involving TeamLogic's trademarks.

There are no agreements that limit TeamLogic's right to use or license the use of the Service Marks. TeamLogic does not know of any prior superior rights or infringing uses that could materially



affect your use of the Service Marks.

We are required to protect you against claims of infringement or unfair competition arising out of your use of the Service Marks. If Franchisee receives notice or otherwise becomes aware of any claim, suit or demand against it by any party other than Franchisor on account of any alleged infringement, unfair competition or similar matter arising from its use of the Service Marks, Franchisee shall promptly notify Franchisor of any such claim, suit or demand. Franchisor shall determine, in its sole discretion, whether to defend, compromise or settle any such claim, suit or demand at Franchisor's cost and expense, and Franchisee shall cooperate fully in such matter. We may in our sole discretion, modify or discontinue the use of the Marks and/or use one or more additional or substitute service marks or trademarks. If we decide to do so, you must do so also, at your expense, including, without limitation removing existing signage and purchasing and installing new signage.

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

TeamLogic does not own any registered patents or copyrights. However, TeamLogic Inc.'s Operations Manual, portions of the Business Management Software System and marketing materials are confidential and proprietary, and, TeamLogic claims a "common law" copyright on these materials. You do not receive any rights in any proprietary or copyrighted materials. You must promptly tell us when you learn about any unauthorized use of this proprietary information. TeamLogic is not obligated to take any action, but will respond as we deem appropriate. TeamLogic will indemnify you for losses brought by a third party concerning your authorized use of this information.

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

You must directly supervise and participate in the day-to-day operations of the TeamLogic IT<sup>®</sup> Business or the TeamLogic IT<sup>®</sup> Business must be directly supervised "on-premises" by a manager who has successfully completed TeamLogic's Initial Training. The manager must sign a written agreement as outlined in the Operations Manual to maintain confidentiality of the information learned at the Initial Training and to conform to the covenants not to compete described in Item 17. There is no limitation on who you may hire for a manager, except you cannot hire a person who concurrently works for a competing business. The manager need not have an equity interest in the Franchise. If Franchisee is an entity, all owners of an interest in the Franchisee entity and their spouse will be required to personally sign a guarantee of the entity (See signature pages of the Franchise Agreement).

**ITEM 16.**  
**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You are authorized, and required, to offer the minimum required Core Services in connection with your TeamLogic IT<sup>®</sup> Business, and certain related Non-Core Services, as well as the Preventative Maintenance Packages. All services must be provided and sold through your TeamLogic IT<sup>®</sup> Business. You may not sell any products or provide any services on a wholesale basis.

You cannot offer services for which you do not have an appropriately certified technician.

You must offer and provide those services, and offer and sell those products that we designate from time to time. Those services and products may or may not include the services and products currently provided and sold by TeamLogic IT<sup>®</sup> Businesses.

You may not offer or provide any services, or offer and sell any products, not specifically approved in writing by us. In addition, you may not offer or provide any services, or offer and sell any products, in a manner, form or configuration (including without limitation for resale) other than as specifically approved in writing by us. You may not use the premises on which your TeamLogic IT® franchise business is conducted for any purpose other than the operation of your TeamLogic IT® Business and the sale of products approved by us, unless specifically approved in writing by us.

Failure to adhere to these restrictions shall constitute a material default of the Franchise Agreement which must be cured within twenty (20) days of notice or the Franchise Agreement can be terminated.

**ITEM 17.**  
**RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

The table that follows lists certain important provisions of the Franchise and related agreements. You should read the provisions in the agreements attached to this offering circular pertaining to renewal, termination, transfer, and dispute resolution.

PROVISION		SECTION IN AGREEMENT	SUMMARY
a.	Term of the Franchise	Section 7.1	Term is 10 years.
b.	Renewal or Extension of Term	Section 7.2	10 year renewal terms.
c.	Requirements to Renew or extend	Section 7.2	Give written notice of intent to renew; not be in default; sign then current form of franchise agreement, satisfy any current qualifications and training requirements; pay a renewal fee of \$2,000
d.	Termination by Franchisee	Section 10.3	No right for Franchisee to terminate.
e.	Termination by Franchisor without cause	None	
f.	Termination by Franchisor with cause	Section 10.1 & 10.2	See remarks below under Cause defined that can and cannot be cured.
g.	"Cause" defined - defaults which can be cured	Section 10.2	20 days to cure material breach of Agreement, and of monetary default; site not acquired in 90 days, loss of possession or abandon premises for more than 7 days; 3 defaults within 12 months even if cured.
h.	"Cause" defined – defaults which cannot be cured	Section 10.1	Franchisee files bankruptcy, commits a felony, maintains false books, commits fraud or material misrepresentation on application, conducts Business in a manner likely to impair our reputation
i.	Franchisee obligations on Termination/Non-Renewal	Sections 10.4	Cease use of Marks, website, telephone listing/number and Business Management Software System, pay debts, notify suppliers/customers, can not compete.
j.	Assignment of Contract by Franchisor	Section 13.1e	No restriction on TeamLogic's right to assign.
k.	"Transfer" by Franchisee - definition	Section 11	Includes transfer of Franchise or assets or ownership change.
l.	Franchisor approval of Transfer by Franchisee	Section 11	TeamLogic has the right to approve all transfers, but will not unreasonably withhold approval.

PROVISION		SECTION IN AGREEMENT	SUMMARY
m.	Conditions for Franchisor approval of transfer	Section 11	With limited exceptions, the following conditions apply to all transfers: good standing; transferee meets all current qualifications; amounts due are paid in full; successful completion of training by transferee, purchase agreement approved, payment of transfer fee, release signed by you and current agreement signed by new Franchisee.
n.	Franchisor Right of First Refusal to acquire Franchisee business	Section 11.5	We can match any offer for your business.
o.	Franchisor option to purchase Franchisee business	None	
p.	Death or Disability of Franchisee	Section 11.6	Franchise may be assigned to an approved buyer who must complete training.
q.	Non-Competition Covenants after the Franchise Terminates	Section 10.4f	No competing business for 1 year within 5 miles of Center or of another TeamLogic IT® Business for 1 year; Non-solicitation of customers/employees for 1 year.
r.	Non-Competition Covenants during Term of Franchise	Section 6.17	No involvement in competing business within 100 miles of Business.
s.	Modification of the Agreement	Section 13.1j	Automatic conformance to state law; otherwise only by signed amendment except that TeamLogic may unilaterally revise the Manuals.
t.	Integration/Merger Clause	Section 13.1j	Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 12	Except for certain claims, all disputes must be arbitrated in Orange County, California (See Note 2)
v.	Choice of Forum	Section 13.1k	Litigation (or required arbitration) must be in California (See Note 2).
w.	Choice of Law	Section 13.1k	California law applies (See Note 2).

Notes:

- 1) These states have statutes which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your Franchise: ARKANSAS [Stat. Section 70-807], CALIFORNIA (See Addendum), CONNECTICUT [Gen. Stat. Section 42-133e et seq.], DELAWARE [Code, tit.], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [815 ILCS 705/19 and 705/20], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Sections 523H.1-523H.17], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Sect 80C.14], MISSISSIPPI [Code Section 75-24-51] MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:10-1], RHODE ISLAND [Section 19-28.1-14] SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code 13.1-557-574-13.1-564], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03]. These and other states may have court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your Franchise.
- 2) The following states mandate that any arbitration or litigation proceedings be held in the state where the Franchisee is located: Illinois, Iowa, Michigan, Minnesota, North Dakota, South Dakota, Washington and California. The following states mandate that the franchise laws of the state where the Franchisee is located govern the relationship: Illinois, Iowa, Minnesota and South Dakota. Claims arising under the Maryland Franchise Registration and Disclosure Law may not be required to be litigated/arbitrated in a state other than Maryland. See Addendum attached as Exhibit "H".
- 3) The following states require a minimum number of days to cure a default of non-payment of fees: Michigan (30 days) and Minnesota (60 days).

- 4) Non-monetary defaults include: loss of possession or abandonment of the premises, relocation or transfer of the business without approval.

Relative to the provision for termination upon Bankruptcy, this provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C. § 101, et seq.).

**ITEM 18.  
PUBLIC FIGURES**

TeamLogic does not use any public figure to promote its franchise network.

**ITEM 19.  
EARNINGS CLAIMS**

We do not furnish, or authorize anyone to furnish, any oral or written earnings claims information concerning the actual or potential sales, costs, income and or profits of a TeamLogic IT<sup>®</sup> business. Actual results may vary from location to location, and we cannot estimate the results of any particular franchisee.

**ITEM 20.  
LIST OF OUTLETS**

The following are the names, addresses, and telephone numbers of all Franchisees as of December 31, 2005.

NAME	ADDRESS	TELEPHONE NUMBER
Tom Armstrong	65 Enterprise Aliso Viejo, California 92656	(949) 488-8978
Tom Armstrong	Irvine, California	(949) 488-8978
Jeffrey Hayzlett	3313 South Western Avenue Sioux Falls, South Dakota 57105	(605) 336-3335
Ravi Kapoor	46179 Westlake Drive, Suite 220 Potomac Falls, Virginia 20105	(703) 726-9037
Roger Noakes/Mark Jones	3500 Sunrise Highway, Suite D100 Great River, New York 11739	(631) 277-1368
Roger Noakes/Mark Jones	Huntington, New York	(631) 277-1368
Roger Noakes/Mark Jones	Garden City, New York	(631) 277-1368
Thomas Walsh	405 Tarrytown Road, Suite 1075 White Plains, New York 10607	(914) 961-7613

**TERMINATED/EXPIRED LOCATIONS**

The following is a list of the names, last known home addresses and telephone numbers of United States Franchisees who have been terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who have not communicated with TeamLogic within 10 weeks of the application date:

None.

**FRANCHISED CENTER STATUS SUMMARY  
FOR YEARS 2005/2004/2003\***

STATE	TRANSFERS	CANCELLED OR TERMINATED	NOT RENEWED	REACQUIRED BY FRANCHISOR	LEFT THE SYSTEM OTHER	TOTAL FROM LEFT COLUMNS (2)	FRANCHISES OPERATING AT YEAR END
CALIFORNIA	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/0/0
DELAWARE	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/0/0
SOUTH DAKOTA	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/0/0
NEW YORK	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	3/0/0
VIRGINIA	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	3/0/0
<b>TOTALS</b>	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	10/0/0

\*All numbers are as of December 31.

There are no TeamLogic IT<sup>®</sup> company-owned locations.

**PROJECTED OPENINGS  
THROUGH DECEMBER 31, 2006**

STATE/COUNTRY	FRANCHISE SIGNED BUT CENTER NOT OPEN (AS OF DECEMBER 2005)	PROJECTED NEW CENTERS IN THE NEXT FISCAL YEAR
California	2	10
Delaware	1	1
Illinois	0	5
New York	2	5
South Dakota	1	0
Virginia	2	5
Washington	0	3
Washington DC	0	3
OTHER		16
<b>TOTALS</b>	<b>8</b>	<b>48</b>

**ITEM 21.  
FINANCIAL STATEMENTS**

TeamLogic, Inc. was incorporated on September 1, 2004. Our fiscal year end is December 31<sup>st</sup>. Attached to this offering circular as Exhibit "A" are the audited financial statements of TeamLogic, Inc. for the period ending December 31, 2004 and December 31, 2005. Also attached are the unaudited financial statements for the period beginning January 1, 2006 to March 31, 2006. These financial statements are prepared without an audit. Prospective franchisees or seller of franchises should be advised that: "THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OF FORM."

**ITEM 22.  
CONTRACTS**

Attached as Exhibit "D" is a copy of the Franchise Agreement. The Multi-State Addendum is attached as Exhibit "E", the Conversion Addendum is attached as Exhibit "F" and the Transfer Release Agreement is attached as Exhibit "G".

**ITEM 23.  
RECEIPT**

THE LAST TWO PAGES OF THE OFFERING CIRCULAR (FOLLOWING THE EXHIBITS AND ATTACHMENTS) IS A DOCUMENT ACKNOWLEDGING RECEIPT OF THE OFFERING CIRCULAR BY YOU (ONE COPY FOR YOU TO KEEP AND ONE FOR YOU TO SIGN AND SEND TO US).