



This is the 1st affidavit of Mufeed Haddad in this case and was made on the 21st of November, 2023.

COURT OF APPEAL FILE NO. CA49489

COURT OF APPEAL

ON APPEAL FROM the order of Madam Justice Fitzpatrick of the Supreme Court of British Columbia pronounced on October 31, 2023

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF
NEXTPOINT FINANCIAL, INC. AND THOSE PARTIES LISTED ON SCHEDULE "A"

AFFIDAVIT #1 OF MUFEED HADDAD

I, Mufeed Haddad, businessman, of 17751 Via Roma Yorba Linda, California, 92286, SWEAR THAT:

1. I am an appellant in this proposed appeal and, as such, I have personal knowledge of the facts and matters hereinafter deposed to, except where the same are stated to be made upon information and belief, and as to such facts I verily believe the same to be true.
2. I am authorized to make this affidavit on behalf of the appellants in support of an application for leave to appeal and a stay of the Order of Madam Justice Fitzpatrick, pronounced October 31, 2023.
3. The appellant Mike Budka is my business partner, and the other co-owner of the corporate appellant M&M Business Group, L.P. (**M&M**). Mr. Budka and I reside in California. M&M is also California-based.

Introduction to Liberty Tax

4. I was introduced to Liberty Tax in or around 2001. Mr. Budka, who is an accountant by trade, was my neighbour at the time, and we became friends. Mr. Budka's uncle brought Liberty Tax to our attention, and we were interested as it appeared to be a good franchising opportunity. We reached out to Liberty Tax in 2001 to discuss our potential involvement.

5. At the time, I was working for a newspaper distribution company to support my family, including my three young children. I was working 14-16 hours per day, seven days a week on average, but I did not see opportunities in the newspaper distribution industry to build my future and provide my family with long-term financial security.

6. After months of discussions and negotiations with Liberty Tax, Mr. Budka and I decided to purchase seven Liberty Tax franchises in California in or around August 2001. Liberty Tax was a brand new concept in California—there was only one franchise in northern California at the time. There were also no Area Developers, so all franchisees were supported by Liberty Tax directly.

7. Around October 2001, Mr. Budka and I attended a training program in Virginia Beach in order to become qualified franchisees. As we were leaving, we were approached by Mark Johnson, who was the Vice President of Franchise Development. Mr. Johnson introduced us to a brand-new concept of "Area Developers". Mr. Budka and I were interested in hearing more about this opportunity, as Mr. Johnson told us that Area Developers would be offered significantly more income and financial security than franchisees.

8. Mr. Budka and I then met with Mark Johnson and John Hewitt, the original founder and CEO of Liberty Tax. They explained that, under Area Developer Agreements (**ADAs**), the Area Developers would pay an up-front price based on the territories under the ADAs and would be granted certain licence and intellectual property rights to develop, market, and support—and the sole responsibility of—the franchisees

in their territories. Mr. Johnson and Mr. Hewitt explained that the ADAs would have 10-year terms, would be perpetually renewable, and that this one would provide us with commissions equal to 70% of the royalties and franchise fees received from the franchisees as an incentive to build the franchise system (our future ADAs provided us with 50% of royalties and fees collected). Mr. Johnson and Mr. Hewitt specifically told us, repeatedly, that the best part of being an Area Developer would be the financial security, as our income would be perpetual, like an annuity. Mr. Hewitt assured us that we would benefit “as long as the US tax system exists.”

9. As I describe below, Mr. Budka and I (and M&M) have paid Liberty Tax over USD\$5.8 million to enter into these ADAs. Mr. Budka and I have used funds from our savings and taken out loans to advance these payments to Liberty Tax up-front.

10. Mr. Johnson was deposed by my legal counsel, Christopher Davis, in a lawsuit that is currently before the US District Court for the Eastern District of Virginia, Norfolk Division on August 8, 2022 (I describe the ongoing litigation regarding the renewal of Liberty Tax’s ADAs in greater detail below). Attached hereto and marked as **Exhibit A** to this affidavit are true copies of excerpts from the deposition transcript. Mr. Johnson’s sworn evidence confirms that:

- (a) he and Mr. Hewitt told Area Developers that the ADAs would be “renewable to perpetuity ... like an annuity” (transcript pp. 15-16);
- (b) from its inception, the Area Development program was designed to be a perpetual right for the Area Developer to renew (transcript pp. 16-17);
- (c) Area Developers had an expectation that the ADAs would be renewed into perpetuity, because he and Mr. Hewitt had told them so (transcript p. 39);
- (d) the appellants’ first ADA was for a ten-year term, “[r]enewable to perpetuity” (transcript pp. 58-59); and

- (e) the ADAs were for a set term because the franchise disclosure document required it (transcript pp. 67-68).

11. The opportunity to become Area Developers, and obtain financial security for the benefit of our families, sounded promising. Mr. Budka and I (through M&M) decided to enter into our first ADA for a territory in San Bernardino, California on February 28, 2002. Business was very difficult for about the first three years, but eventually we started doing well and opened approximately 29 franchises within the first five years.

Success as Area Developers

12. Our success as the first Liberty Tax franchise system in California attracted a lot of attention, both locally and nationwide. When we started in 2002, I believe that Liberty Tax only had approximately 200 locations total in the US and Canada. By around 2008 or 2009, we had about 50 franchisees in our territories under the ADA. Mr. Budka and I (through M&M) proceeded to enter into two further ADAs that expanded our territories to additional areas in California.

13. By about 2009, Mr. Budka and I (or our entities) had expanded to territories all over the country, including territories in Indianapolis, North Carolina, West Virginia, Kentucky, Ohio, Florida, and Wyoming. We became spokespeople for Liberty Tax, and assisted them in recruiting franchisees and other Area Developers based on our own success. By approximately 2015, Mr. Budka and I had established about 158 Liberty Tax locations within our territories under the ADAs, some of which were established with other partners.

14. In total, Mr. Budka and/or I (or our entities) have entered into eight different ADAs with Liberty Tax, four of which are currently active (the **Active ADAs**). I attach true copies of the Active ADAs, marked as follows:

<u>Exhibit</u>	<u>Description</u>
-----------------------	---------------------------

- B** ADA between Mufeed Haddad as Area Developer and JTH Tax, Inc. d/b/a/ Liberty Tax Service dated February 28, 2014 (Entity 4693), with a given expiration date of July 5, 2027 (the **North Carolina ADA**);
- C** ADA between M&M Business Group, L.P. as Area Developer and JTH Tax, Inc. d/b/a/ Liberty Tax Service dated August 15, 2018 (Entity 2532), with a given expiration date of August 15, 2028 (the **Los Angeles ADA**);
- D** ADA between Mike Budka and Mufeed Haddad as Area Developers and JTH Tax, Inc. d/b/a/ Liberty Tax Service dated July 13, 2018 (Entity 4711), with a given expiration date of July 13, 2028 (the **Indianapolis ADA**); and
- E** ADA between Mufeed Haddad as Area Developer and JTH Tax, Inc. d/b/a/ Liberty Tax Service dated August 15, 2018 (Entity 7700), with a given expiration date of February 28, 2024 (the **Charleston-Hunting ADA**).

15. Liberty Tax has refused the renewal of the other four ADAs (the **Inactive ADAs**) I discuss this further below.

16. Mr. Budka and I have worked tirelessly to become successful Area Developers and fully perform all of our obligations under the ADAs. For the past 22 years, we have essentially worked nonstop, ensuring that we are always available to our franchisees across the US 24 hours, seven days a week. We are constantly patrolling the market and supporting the franchisees in every single aspect of their operations. Each ADA has required substantial investments of time and money at both the front end, when our efforts are directed at recruiting and establishing franchisees, and at the back end,

when our efforts are directed at the continuing support and servicing of the franchisees to ensure their success.

Challenges to Area Developers

17. Mr. Budka and I have encountered significant and costly challenges in our roles as Area Developers for Liberty Tax in recent years.

18. In or around 2016-2017, Liberty Tax and several of its franchisees were the subject of civil enforcement actions brought by the US Department of Justice (DOJ). Attached hereto and marked as **Exhibit F** is a true copy of a Complaint filed by the DOJ in respect of these matters on December 3, 2019. I understand that this litigation arose based on allegations that Liberty Tax had, among other things, failed to take steps to prevent the filing of potentially false or fraudulent tax returns prepared by its franchisees (none of which were within our ADAs).

19. The issues between Liberty Tax and the DOJ were harmful to our business, as the media attention made it much more difficult to recruit and maintain franchisees. I recall that in around 2018 or 2019, Liberty Tax was temporarily prohibited from bringing in new franchisees due to DOJ restrictions. Liberty Tax did not have a franchise disclosure document (FDD) during this time. Further, in around 2018 or 2019, Liberty Tax imposed more stringent requirements for new franchisees (they were now required to be EAs, licensed CPAs, attorneys, or experienced tax return preparers). Liberty Tax also made cuts to its marketing department, and the support and marketing services Liberty Tax offered to Area Developers were significantly reduced. All of these circumstances were particularly detrimental to us as Area Developers.

20. While Mr. Budka and I have experienced "success" as Area Developers, we have also made significant investments in respect of the eight ADAs we have entered into with Liberty Tax. Mr. Budka and I (and M&M) have paid Liberty Tax over USD\$5.8 million to enter into these ADAs. Mr. Budka and I have used funds from our savings and taken out loans to advance these payments up-front. Between 2007 and 2013, we

advanced approximately USD\$5.6 million to Liberty Tax in cash. In order to secure loans to make these payments, Mr. Hewitt and Mark Bumgardner (Liberty Tax's CFO at the time) met with our bankers and expressly told them, among other things, that our commissions under the ADAs would be renewable and perpetual (or "as long as the US tax system exists").

21. On or around July 25, 2023, around the time Liberty Tax filed for bankruptcy, I participated in a conference call with Liberty Tax's CEO Scott Terrell and other Area Developers and franchisees. The message conveyed to us in this call was that business would continue as usual, and there was no discussion of any disclaimer or exclusion of ADAs. Throughout the bankruptcy proceedings, Liberty Tax has consistently conveyed to franchisees (and myself) that there will be no changes for franchisees or their stakeholders. Attached hereto and marked as **Exhibit G** are true copies of these materials, some of which have been posted online.

ADA Renewal Issues

22. The ADAs (including the Active ADAs) are substantially similar in form. Although they contain specific durational terms, they contain the following renewal clause (or similar language) that provides different avenues for Area Developers to continue their roles after the term's end:

Renewal. Upon the completion of the Term of this Agreement, provided Area Developer is in compliance with the terms and conditions in this Agreement and all other agreements with Liberty and Liberty's affiliates, Liberty will provide Area Developer with the right to enter into a new agreement with Liberty for the provision of services similar to those in this Agreement. If Area Developer wishes to renew this Agreement, Area Developer must notify Liberty in writing at least one hundred and eighty (180) days before the expiration of this Agreement. ...

23. As I discuss at paragraphs 7-10, our entry into the ADAs was premised on our understanding—and Liberty Tax's express representations—that the ADAs would be renewable in perpetuity, like annuities. Unfortunately, in recent years, Liberty Tax has taken a different view. While the Active ADAs have not yet come up for renewal, Liberty

Tax has purported to refuse to renew the Inactive ADAs once their terms came to an end. I am aware that Liberty Tax has done the same with respect to its ADAs with other Area Developers. This issue has been the source of significant litigation in the US between Liberty Tax and Area Developers, including the following extant proceedings:

- (a) *Mufeed Haddad et al. v. JTH Tax, LLC*, Virginia Beach Circuit Court, Case No. CL21-441 (the **Virginia Beach Action**) – I am a plaintiff in the Virginia Beach Action, which concerns Liberty Tax’s refusal to renew the Inactive ADAs. This lawsuit has been stayed by the bankruptcy proceedings. Prior to the stay, Liberty Tax was unsuccessful in filing two notices to dismiss the plaintiffs’ claims.
- (b) *Road King Development Inc. et al. v. JTH Tax, LLC*, United States District Court for the Eastern District of Virginia, Case No. 2:21-cv-55 – This lawsuit has also been stayed by the bankruptcy proceedings.
- (c) *Gorilla Tax Services, Inc. et al. v. JTH Tax, LLC*, American Arbitration Association, Commercial Arbitration Tribunal, Case No. 01-21-0017-9382 – This arbitration has also been stayed by the bankruptcy proceedings. Prior to the stay, Liberty Tax was unsuccessful in filing a motion to dismiss.
- (d) *Gulf Coast Marketing Group, Inc. v. JTH Tax, LLC*, American Arbitration Association, Commercial Arbitration Tribunal, Case No. 01-21-0016-7217 – Liberty Tax was also unsuccessful in filing a motion to dismiss this arbitration. However, for reasons that are unknown to me, the Area Developer voluntarily dismissed the arbitration without prejudice to refile.
- (e) *JTH Tax, LLC v. Pitcairn Franchise Development, LLC*, United States District Court for the Eastern District of Virginia, Case No. 2:21-cv-135 – This case was resolved by an arbitrator against the Area Developers. The

Area Developers appealed the decision, but the Court affirmed the arbitral decision based on the applicable standard of review.

- (f) *JTH Tax, LLC v. Grabowski, Supernat LLC*, United States District Court for the Northern District of Illinois, Case No. 19 C 8123 – This case was resolved in against the Area Developer; however, I am advised by my counsel that the Area Developer did not advance the same arguments regarding the construction of the ADAs' renewal clauses as the plaintiffs have put forward in the Virginia Beach Action.
- (g) *Robinson v. JTH Tax, LLC*, United States District Court for the Eastern District of Virginia, Case No. 2:21-cv-00066 – This case was resolved against the Area Developer; however, I am advised by my counsel that the Area Developer in this action had failed to submit a written notice of intent to renew as required under their ADA (which is not the case in the Virginia Beach Action).

Bankruptcy Proceedings

24. I have never received any written notice from the CCAA proceeding. Further, I was not aware that I would need to “opt in” to receive notices in the CCAA proceeding.

25. I became aware that Liberty Tax had filed for bankruptcy protection when I received two boxes containing thousands of documents on my doorstep on or about July 30, 2023. This documents related to Liberty Tax's US bankruptcy proceeding in Delaware. It was not clear to me if or how the bankruptcy would affect my business—I expected that, if anything, the Inactive ADAs may be affected (as the litigation surrounding them has been stayed). Based on the calls I had participated in with Liberty's CEO, I did not expect, and did not receive any notice of the reversed vesting order (**RVO**) approved by Madam Justice Fitzpatrick until my counsel in the US bankruptcy proceeding provided me with a copy of that order in early November. I did

not receive any notice that the Active ADAs were ever in jeopardy or would be affected in any way until such time (and after my opportunity to object to the RVO had passed).

26. Similarly, I did not receive notice that Liberty Tax purported to disclaim the Active ADAs, in addition to allegedly excluding them as assets in the CCAA proceeding, until my counsel in the United States bankruptcy proceeding received such notices on November 2, 2023. Attached hereto and marked as **Exhibit H** are true copies of these notices.

Current Financial Circumstances

27. For about the past 22 years, Mr. Budka and I have provided significant support to our franchisees. Since Liberty Tax encountered issues with the DOJ, franchisee growth has drastically declined to the extent that our income could no longer allow us to support the franchisees while making payments on loans that we took out in order to enter into the ADAs. We refinanced our loan for the Indianapolis ADA about five years ago, and refinanced our loan for the North Carolina ADA about three years ago. These debts total approximately USD\$620,000, and I estimate that we will need to make bank payments of USD\$360,000 annually over the next 2-3 years to pay off these debts.

28. We also owe approximately USD\$300,000 in small business loans, which were taken out to sustain our operations during the height of the COVID-19 pandemic. I currently owe an additional USD\$200,000, as the result of a private loan arrangement.

29. In total, Mr. Budka, M&M, and I owe approximately USD\$1.1 million in connection with our funding of the ADAs.

30. On average, my revenue stream under the eight ADAs (both the Active and Inactive ADAs) totalled approximately USD\$1.2 million per year. After Liberty Tax's purported nonrenewal of the Inactive ADAs, my income decreased to approximately USD\$650,000 per year. The vast majority (*i.e.*, approximately 80%) of our revenue comes during tax season (January to May); we make minimal revenue during the offseason. During tax season, we essentially reap the rewards of our hard work

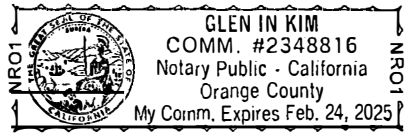
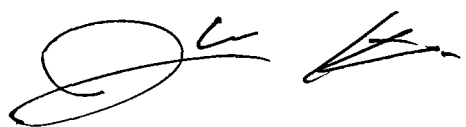
throughout the year. Mr. Budka and I have been working and preparing alongside franchisees and Liberty Tax staff to get ready for the upcoming tax season (we are still working despite the bankruptcy proceedings). Now, it appears we will not be receiving the revenue we have been waiting on in order to pay for our expenses and compensate us for the work we have performed for Liberty Tax over the past eight months. This will continue to be the case if the Active ADAs are "excluded", and it will result in serious financial harm. My income supports my family, including three disabled family members whose health care costs total approximately USD\$7,000 per month. I do not know how I will be able to offer this support while meeting my other significant financial obligations if the ADAs are not purchased by the purchaser in the CCAA proceeding.

SWORN BEFORE ME at the City)
of Yorba Linda, in the State of)
California, this 21st day of November,)
2023.)
)
)
)



A Commissioner for Taking Affidavits for)
the State of California)

MUFEED HADDAD



A notary public or other officer completing this certificate verifies only the identity of this individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

COURT OF APPEAL FILE NO. CA _____

COURT OF APPEAL

ON APPEAL FROM the order of Madam Justice Fitzpatrick of the Supreme Court of British Columbia pronounced on the 31st day of October, 2023

IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF A PLAN OF
COMPROMISE AND ARRANGEMENT OF
NEXTPOINT FINANCIAL, INC. AND THOSE
PARTIES LISTED ON SCHEDULE "A"

AFFIDAVIT #1 OF MUFEED HADDAD




Barristers and Solicitors
1600 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia
V6C 3L2

Phone: (604) 685-3456

Attention: William L. Roberts / Laura L. Bevan /
Sarah B. Hannigan

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
NORFOLK DIVISION


WJH

This is Exhibit "A" referred to in the affidavit of Mufeed Haddad sworn before me at Orange County, California this 21st day of November, 2023.

A Notary Public for the State of California

ROAD KING DEVELOPMENT, INC.
and
ZEEDEE, LLC,
Plaintiffs,

v Case No: 2:21-cv-55

JTH TAX, LLC d/b/a
LIBERTY TAX SERVICE,
Defendant.

 GLEN IN KIM
COMM. #2348816
Notary Public - California
Orange County
My Comm. Expires Feb. 24, 2025

The deposition of **MARK JOHNSON**, a witness in the above-entitled cause, taken before Dana M. Pon, Notary Public in and for the Commonwealth of Virginia at Large, at Davis Law, PLC, 555 Belaire Avenue, Suite 340, Chesapeake, Virginia, on August 8, 2022, commencing at or about the hour of 11:44 a.m.

APPEARANCES: FOR THE PLAINTIFFS:
Davis Law, PLC
BY: CHRISTOPHER D. DAVIS, ESQUIRE
555 Belaire Avenue, Suite 340
Chesapeake, Virginia 23320

FOR THE DEFENDANT:
Gordon Rees Scully Mansukhani, LLP
BY: BRIAN J. HEALY, ESQUIRE
1101 King Street, Suite 520
Alexandria, Virginia 22314

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X

WITNESS:

PAGE:

1. MARK JOHNSON

Examination by Mr. Davis	3
Examination by Mr. Healy	43

E X H I B I T S

JOHNSON EXHIBITS:

PAGE:

No. 1 - Subpoena	4
No. 2 - Area Developer Agreement dated 06/01/05 ..	23
No. 3 - Area Developer Agreement dated 11/18/14 ..	24

-----oOo-----

3**MARK JOHNSON,**

1
2 having been produced and first duly sworn as a
3 witness, testified as follows:

EXAMINATION

4
5
6
7 BY MR. DAVIS:

8 Q Thank you. Mr. Johnson, have you been
9 deposed before?

10 A I have.

11 Q How many times have you been deposed?

12 A I think at least two that I can remember.
13 Maybe three.

14 Q Were they all with regard to Liberty Tax
15 disputes?

16 A No.

17 Q Oh, what were the other --

18 A First was when my dad was killed in a
19 plane crash and the pilot flew into the bottom of his
20 plane. And we took him to court, and it was during
21 that -- he was deposed -- he was actually sitting in
22 the -- in the -- in the room, so that was our first
23 one. And then --

24 Q Oh, my goodness.

25 A And then --

4

1 Q When was that?

2 A That was in '80 -- about '85, '86.

3 Q What a horrible thing. Wow.

4 A Yeah. So, anyway, we ended up winning.

5 It was -- it was very tragic, obviously. Time heals.

6 And the second one was with Jackson Hewitt.

7 Q Okay.

8 A So --

9 Q Got ya. Anything with Liberty Tax?

10 A You know, I don't -- I can't remember. I
11 don't think so, but I can't remember for sure.

12 Q All right. Very good. I'm going to show
13 you what we'll mark as Exhibit 1, and I'll just take a
14 sticker.

15 (Johnson Exhibit Number 1 was marked for
16 identification.)

17

18 BY MR. DAVIS:

19 Q This is a subpoena that was issued to you.
20 Is this the reason that you're here today?

21 A It is. And the only reason.

22 Q Very good.

23 A I'm missing my grandkids.

24 Q Well, hopefully we won't keep you too
25 long.

5

1 A They come over swimming on Monday.

2 Q You can go back to them. Thank you for
3 being here. So just a couple ground rules real quick.

4 A Sure.

5 Q We're going to try, because our court
6 reporter is taking everything down stenographically --
7 yes -- and we're going to try not to talk over each
8 other.

9 A Very good.

10 Q And also if you would, please try to
11 answer verbally yes or no, not uh-huh --

12 A Okay.

13 Q -- not nodding. From time to time
14 Mr. Healy here, who represents Liberty Tax Service, he
15 might object. And if you understood the question, you
16 can still answer the question.

17 A Okay.

18 Q It's probably helpful if you let me finish
19 asking my whole question --

20 A Okay.

21 Q -- before you say something.

22 A All right.

23 Q And then if he's objecting, let him
24 finish.

25 A Okay.

6

1 Q And then if you understood the question,
2 you can answer the question.

3 A Okay.

4 Q If you answer my question, can I assume
5 that that means you understood it?

6 A Yes.

7 Q Okay.

8 A If I don't understand, I will ask.

9 Q Yes.

10 A I will say I don't -- please elaborate or
11 I don't understand.

12 Q Very good.

13 A I have no problem doing that.

14 Q Okay. And while -- and also, just to make
15 the record clear, while I do represent you in another
16 Liberty Tax dispute, I don't represent you with regard
17 to the dispute with Road King, ZeeDee, Jerry Bayless,
18 and David Perez, correct?

19 A Correct.

20 Q Okay. What is -- how did you become
21 affiliated with Liberty Tax to begin with?

22 A So I worked with John Hewitt, founder of
23 Jackson Hewitt. I went to work for him back in '92,
24 '93, I believe it was. I worked through '97, I think
25 it was. I took some time off, and then he was

7

1 building Liberty and he asked me to come back. At
2 that time I had a noncompete, so I said I can't. And
3 so after it expired, I went back to work for him. And
4 I told him I would commit to one year --

5 Q Okay.

6 A -- originally. And that was in -- about
7 2000.

8 Q And then when you came to Liberty, what
9 was -- what did you come to Liberty to do, what job
10 function?

11 A So I told him that I would help put his
12 development team together, so I was the -- the
13 assistant vice president of franchise development.
14 When the year came and gone -- and I actually put my
15 two-week notice in at the end of that two years, and
16 then he asked me about building the AD program.

17 Q Okay.

18 A So --

19 Q That would have been -- so that would have
20 been 2001-ish?

21 A That was -- yeah. Yes.

22 Q And what did Mr. Hewitt ask you to do with
23 regard to the AD development program?

24 A He said, you know, We didn't do it at
25 Jackson Hewitt. I think it's a way we can help grow

8

1 the company. And so to me it was -- it was a
2 challenge. And so -- because I -- you know, I was not
3 interested in doing franchise development anymore.
4 And so I said, Let me do some research on it, some
5 investigation. And I came back and reported to him
6 and said, This is how I believe it should be set up.
7 And off we went.

8 Q At the time that you did your research and
9 created the program, had either you or Mr. Hewitt ever
10 created an AD program?

11 A No.

12 Q And when you created the program, was it
13 primarily you and John Hewitt collaborating together
14 to create the program?

15 A No. Actually, I reached out to Bob Gappa,
16 who was at the time, you know, the senior consultant
17 to the IFA, International Franchise Association. And
18 so I reached out to him, talked to him. I got all of
19 the -- and you have to understand back in 2000 a lot
20 of franchises had used like a master-type franchise
21 program to grow their businesses, but they had really
22 gotten away from it. And really the -- it made sense
23 now because the internet coming in and e-mail. So I
24 created a program that was good for the franchisor,
25 the franchisee, and the AD.

9

1 Q Okay.

2 A But no. I did a lot of research on it.

3 Q So research from Bob Gappa. But in terms
4 of making decisions as to what Liberty Tax's policy
5 would be, that would -- would it be fair to say that
6 was you and Mr. Hewitt?

7 A Yes.

8 Q Okay. Anyone else?

9 A You know, we probably got some -- we
10 probably got some counsel from Carl Khalil. At the
11 time he was one of our -- the (inaudible) I believe,
12 so --

13 THE COURT REPORTER: I'm sorry. Carl
14 Khalil. At the time he was one of the what?

15 THE WITNESS: He was a lawyer at Jackson
16 Hewitt.

17 THE COURT REPORTER: Thank you.

18 THE WITNESS: You're welcome.

19

20 BY MR. DAVIS:

21 Q Okay. Very good. The -- so when you
22 create -- when did the AD program --

23 A Start?

24 Q -- unveil, so to speak?

25 A Okay. So I don't know the -- so I think

10

1 about -- it was probably -- so if I did the research
2 2001, it was probably -- tax season 2002 I believe was
3 the first year.

4 Q How did you and Mr. Hewitt determine the
5 price to sell ADs?

6 A Sure. We started at -- when we first
7 started, most of the deals out there are at fifty
8 percent, right? Fifty percent for corporate, fifty
9 percent for the ADs. When we first started, we gave a
10 higher percentage away. And I lowered that very
11 quickly. So I had a lot of autonomy on setting the
12 percentages and the scales. And I think we started at
13 charging -- and I'm doing this totally off memory. I
14 believe it was 5,000 a territory. And then so as we
15 started growing, I quickly pulled that percentage down
16 and escalated that price up. And then if it happened
17 to be there was a store in the area -- you know,
18 existing store -- we charged them multiple on that
19 store. And so -- and this was later on. And this was
20 kind of a collaboration with -- Mark Baumgartner, who
21 is our CFO, came on, worked with him. And at one time
22 we actually charged, I believe, ten times multiple on
23 those existing stores if they were young. And as they
24 got older, we lowered that multiple down to anywhere
25 from ten, I think, down to five was the least we

1 charged on a multiple.

2 Q Ten revenue?

3 A Yes.

4 Q Gross revenue?

5 A Uh-huh.

6 Q The -- when you say five K per territory,
7 that was where it started. Where did it end up?

8 A Probably closer to ten when I left in
9 2012.

10 Q So if you -- if you look at a -- would you
11 call them a DMA?

12 A Uh-huh.

13 Q Okay. So if you look at a DMA and -- did
14 Liberty have some sort of mapping department that
15 would create the territories?

16 A Yes.

17 Q Okay. So the -- would the territories be
18 determined based on population?

19 A So here's -- I was actually very involved
20 in that -- is that I didn't want -- so I got the DMA
21 map, designated marking area map. I used to have -- I
22 still have the original one. Some day I'm going to
23 frame it. It's like an old flag. It's been folded so
24 many times. And so I quickly realized that on certain
25 sized DMAs, I wanted one AD controlling that whole

12

1 area working with all the franchisees. And it wasn't
2 until -- so our larger DMAs, like the L.A. DMA, the
3 New York DMA, Dallas DMA, Houston, Chicago, we split
4 those up. And I tried to make it, you know, where
5 naturally along either natural borders or interstates
6 where the splits would be.

7 Q Okay.

8 A But I pretty much controlled that.

9 Q Okay. So every AD was unique obviously
10 based on the geography, correct?

11 A Yes.

12 Q So every AD would have its own price that
13 would be associated with the unique qualities of that
14 AD territory?

15 A Well, the formula that we used -- whatever
16 the formula was at, you know, at the time.

17 Q What was the formula?

18 A Well, it was -- it was -- like I said
19 before is that I think the highest one that we gave
20 was seventy percent, you know. And that was in
21 California because at Jackson Hewitt we did not -- we
22 didn't make very big inroads into California, and so
23 we were -- I was looking for somebody that I knew that
24 had the drive and could grow that area, could help
25 collapse the time frames for us. So we gave some of

~~13~~

1 those sweetheart deals, we used to call them, in the
2 early stages.

3 Q Okay.

4 A And, like I said, I quickly moved off the
5 percentage.

6 Q Just so the record is clear, you're
7 talking about splitting royalties seventy percent to
8 the AD, thirty percent to Liberty?

9 A Correct.

10 Q And were those seventy/thirty sweetheart
11 deals only a few at the beginning, and then did it at
12 some point kind of -- or normalize to everybody being
13 fifty percent?

14 A Yeah. I'm doing this off memory, so I
15 would say within three years -- like I said, this is
16 totally off memory. I could be off. But within three
17 years, all the deals were fifty-fifty.

18 Q Okay.

19 A And then we even actually did some -- we
20 actually even did some -- not very many. Maybe one or
21 two. We did some sixty-five/thirty-five where we got
22 sixty-five and they got thirty-five.

23 Q Oh.

24 A You know, we obviously charged less on
25 those deals --

14

1 Q Okay.

2 A -- on there. But we did very few, maybe
3 three, of those deals.

4 Q Okay. So in terms of the formula to
5 calculate the price of an AD territory, it sounds like
6 one factor would be what the royalty split would be,
7 correct?

8 A Yes.

9 MR. HEALY: Objection to the form.
10 Foundation.

11

12 BY MR. DAVIS:

13 Q And he might object from time to time, and
14 you're welcome to answer it if you understood the
15 question. And if you don't understand the question,
16 just tell me you don't understand the question.

17 A Just continue asking the question, and
18 I'll tell you.

19 Q Okay. So for Liberty Tax determining the
20 price by which it would sell an AD territory to a
21 prospective AD --

22 A Uh-huh.

23 Q -- one factor would be is the royalty
24 split going to be fifty/fifty or some other variable.
25 Is that accurate?

15

1 A Correct.

2 Q Okay. Would another factor be how many
3 territories are within the AD territory?

4 A Absolutely. Yes. Sold versus unsold.

5 Q Sold versus unsold?

6 A Yes.

7 Q So meaning that if it's unsold, it might
8 be somewhere between 5,000 and 10,000 per unsold?

9 A Uh-huh.

10 Q And if it's sold, it would be a multiple
11 based on the age of the territory?

12 A Correct.

13 Q And that multiple would vary over the
14 years?

15 A Yes.

16 Q Okay. And then would another factor --
17 were there any other factors to be considered in terms
18 of pricing and AD territory?

19 A Let me think about that for a minute.

20 No. I mean, it was pretty cut and dry.
21 In fact, I created a formula sheet that I used to just
22 plug the numbers in, you know, and it would kick out
23 this is the price, you know.

24 Q When you were creating the program with
25 Mr. Hewitt, was there any consideration about whether

1 AD territories would be for a short period of time or
2 whether they would be perpetual?

3 MR. HEALY: Form. Foundation.

4 THE WITNESS: One thing that I used to use
5 and Mr. Hewitt used to use was, you know, it's
6 renewable to perpetuity. And so I used to tell
7 the area developers when I was bringing them
8 in -- because I -- between -- I brought the
9 majority of them in up until the time that I left
10 and handed the reins over to Sandy Stow. You
11 know, I would tell them, you know, You come in,
12 help build it, grow it, and it's renewable to
13 perpetuity and it's like an annuity, you know.
14 But, you know, they had to do their job, you
15 know, and grow it so --

16
17 BY MR. DAVIS:

18 Q Okay. Meaning that -- what you just said
19 is something that you would represent to prospective
20 area developers?

21 A Yes.

22 Q Okay. Is that -- is that -- what you just
23 said, that it was renewable to perpetuity, it was like
24 an annuity, was that -- was that your personal
25 philosophy or was that the philosophy and perspective

1 of Liberty Tax corporate?

2 MR. HEALY: Form. Foundation.

3 THE WITNESS: That was Liberty Tax.

4

5 BY MR. DAVIS:

6 Q And also Mr. Hewitt, then?

7 A Yes.

8 Q Okay. And was the -- from the inception
9 of the program -- the area development program from
10 the beginning, was it designed to be a perpetual right
11 for the area developer to renew?

12 MR. HEALY: Form. Foundation.

13 THE WITNESS: Yes.

14

15 BY MR. DAVIS:

16 Q Okay. Was there consideration for
17 situations where an area developer could lose their
18 territory?

19 A Sure. I mean, there was an instance --
20 Doug and Manny Marrero (phonetic). They had -- and --

21 Q Say that again.

22 A -- Doug -- Doug Alt (phonetic) -- sorry --
23 and Manny Marrero. They were two early ADs that came
24 into the Los Angeles area, and they paid about 350 --
25 330, \$350,000. And they were -- and it was

1 interesting because I -- Doug -- or Manny was the
2 operator, and he actually got a job as the C -- COO of
3 Mossimo -- you know, the clothing guy -- right after
4 we signed the deal. And I was a little concerned
5 about it growing, and so I met with them, you know,
6 after a year. And I said, Look, guys, we've got to --
7 we have to get this thing going. And so then a year
8 later, I met with them actually at Las Brisas in
9 Laguna Beach. And I said, Hey, guys, it hasn't been
10 growing. We're going to buy you out. And actually I
11 think that we paid them \$650,000.

12 Q Okay.

13 A So -- if my memory serves me correct.

14 Q Nearly double what they paid for it?

15 A Yes. Yeah.

16 Q Okay. Now, what about the -- are you
17 familiar with at the end of the AD agreements,
18 there's -- it's phrased, I think, differently but it's
19 a development schedule.

20 A Uh-huh.

21 Q It's at the end. I think it says, Minimum
22 requirements.

23 A Uh-huh.

24 Q Is it okay if I call it the development
25 schedule?

19

1 A Yes.

2 Q Okay. Was the development schedule
3 something that was a part of the AD program from the
4 beginning?

5 A Yes.

6 Q Okay. And, by the way, you were the vice
7 president of area development all the way until --

8 A 2000 -- until 2012. I can't remember when
9 Sandy actually came in. She came in before I had
10 left, you know. But it was just -- you know, I helped
11 create the program. It was on its way. You know, I
12 wanted to go on to other things.

13 Q Got you. So was the development
14 schedule -- you said that was a part of the beginning?

15 A Uh-huh.

16 Q Having a development schedule, correct?

17 A Uh-huh.

18 Q Okay. Was the -- the targets that are --
19 well, is that a fair phrase that I just -- I just said
20 targets. Is that a fair word to say when it lists the
21 development schedule, a timeline by which to develop
22 the territories? Is that a target, an aspirational
23 goal, a hope, a wish, a dream, what? How would you
24 describe that?

25 MR. HEALY: Objection. Form. Foundation.

~~20~~

1 THE WITNESS: Well, I was -- target,
2 slash, requirement, you know, that they had in
3 the -- in the agreement.
4

5 BY MR. DAVIS:

6 Q Okay. And did you -- in your experience
7 while you were the vice president of area development,
8 did any of the ADs in the system actually meet the
9 development schedule?

10 A Yes. Yeah. There were some that were --
11 it was all across the board. Some were ahead of it,
12 some were at it, and some were behind it.

13 Q Okay. And was the -- was the policy of
14 Liberty Tax that if you did not meet the development
15 schedule that you could be terminated?

16 MR. HEALY: Form. Foundation.

17 THE WITNESS: I don't know that we would
18 actually terminate somebody for not meeting their
19 development plan. We never did while I was
20 there, and we -- the only -- the instance
21 where -- you know, we had the right -- in those
22 agreements, they said if they didn't meet their
23 development plan, we had the right to go in and
24 buy back those territories for what they paid.
25

21

1 BY MR. DAVIS:

2 Q Right.

3 A And so -- and I don't remember what year
4 this was. Year three maybe. I actually did it to one
5 of the ADs, just kind of shot it across the bow if you
6 will. And I deleted one of his territories, and we
7 paid him for what -- what he paid for.

8 Q Was it the --

9 A But to answer --

10 Q Yeah.

11 A No. We never said you're behind your
12 development plan. You're being terminated for this.
13 We never -- in my memory we never terminated anybody
14 for not having a development plan. Now, there were
15 some people that we -- I had conversations with them
16 that you're behind. And then if that was the case,
17 then we would plan an exit strategy and we would buy
18 them out.

19 Q Okay. Was it Liberty's policy during your
20 tenure at Liberty Tax that if someone -- an AD was not
21 meeting their development schedule that Liberty could
22 decline or refuse to renew them?

23 MR. HEALY: Form.

24 THE WITNESS: That -- that never happened.

25 I mean -- no, that never happened.

22

1 BY MR. DAVIS:

2 Q I'm not asking if it ever happened. I'm
3 asking was the policy that Liberty would -- did
4 Liberty take the position that if somebody didn't meet
5 the development schedule -- well, strike that. Strike
6 that. I'll ask that a different way.

7 A Okay.

8 Q The area developer agreement -- I'm
9 paraphrasing, but it indicates -- we could look at it,
10 but it says that if -- actually, let's look at it.

11 A Okay.

12 Q We'll use this.

13 MR. HEALY: Chris, I have another copy of
14 it --

15 MR. DAVIS: Okay.

16 MR. HEALY: -- if you just want to mark it
17 as Johnson 1.

18 MR. DAVIS: Do you have two extra copies?

19 MR. HEALY: I have copies for everyone.

20 Yeah.

21 MR. DAVIS: Great. Let's do it.

22 MR. HEALY: And which one did you want to
23 use?

24 MR. DAVIS: Let's use the -- let's use --
25 let's use the 20 -- what do you have? The 2014

1 one?

2 MR. HEALY: I have -- I have all the
3 agreements for Road King and ZeeDee.

4 MR. DAVIS: All right. Let's do both.
5 I'll just --

6 MR. HEALY: 2005 and '14?

7 MR. DAVIS: Yeah.

8 MR. HEALY: Okay.

9 MR. DAVIS: This is '05. We'll mark this
10 as -- I'm going to mark yours real quick.

11 THE WITNESS: Okay.

12 MR. DAVIS: Well, you've just given me
13 three, so why don't you keep that one.

14 MR. HEALY: I have a copy.

15 MR. DAVIS: Oh, good.

16 MR. HEALY: Yeah.

17 MR. DAVIS: Well, this is already three
18 now, so you've given me three. I'll mark this
19 one as 2 for Mr. Johnson, and then I have a copy.
20 And then --

21 (Johnson Exhibit Number 2 was marked for
22 identification.)

23 MR. HEALY: You have a copy, right? If
24 you want to hand the --

25 MR. DAVIS: So this is an extra one. So

24

1 then this one we'll mark as 3.

2 (Johnson Exhibit Number 3 was marked for
3 identification.)

4 MR. DAVIS: That's your three, and you've
5 got two more of those. Well, then you keep one,
6 right? There we go. Okay. Good. So this is
7 just an extra one, then.

8 MR. HEALY: Okay.

9 MR. DAVIS: So I guess it was four. So
10 we'll mark this as 2 and 3. Okay.

11

12 BY MR. DAVIS:

13 Q Mr. Johnson, you now have two documents in
14 front of you, Johnson 2 and Johnson 3.

15 A Uh-huh.

16 Q These are the area developer agreements
17 for -- the first one, Johnson 2, is for Road King,
18 which is one that was operated by Jerry Bayless and
19 his wife, Rhonda Bayless.

20 A Okay.

21 Q Do you know Jerry and Rhonda Bayless?

22 A Yeah.

23 Q Did you have a hand in selling them their
24 initial area developer?

25 A Yes.

25

1 Q Under the name of Road King?

2 A Yes.

3 Q Okay. And let's look at the Exhibit 2
4 first. And if you look at near the end, we'll get
5 to -- let's see. It's going to be LIBERTY-ROADKING
6 62. So it's about four -- four pages from the end.
7 It says, Minimum requirements.

8 A 61. 62. Yes.

9 Q And is this the development -- or I'm
10 sorry. Actually, yeah. This is -- this is the --
11 what we would call the development schedule?

12 A Yes.

13 Q Okay. And the -- and then let's look at
14 the section earlier if I can find it here. If you
15 look at Section 4.1, which is Bates 51.

16 A Okay.

17 Q Okay. And then there's a sentence there
18 right after that underlined Schedule B.

19 A Uh-huh.

20 Q Do you see it says, If Liberty developer
21 does not meet the minimum requirement?

22 A Uh-huh. Yes.

23 Q And is that what we talked about a minute
24 earlier where if the AD doesn't meet their development
25 schedule, Liberty can delete the territory and buy it

26

1 back?

2 A Yeah. Let me just read it real quick if
3 you don't mind.

4 Okay. I'm sorry. Your question again?
5 I've read it now.

6 Q Well, my question is is this the portion
7 where you talked about a little bit earlier where if
8 somebody wasn't meeting their development schedule or
9 their minimum requirements that Liberty could delete
10 those territories and pay the AD the amount owed to
11 them for the value of the territory?

12 A Yes.

13 Q And was it Liberty's policy during your
14 tenure there that if an AD was not meeting a
15 development schedule that that was the sole remedy
16 that Liberty had, was to delete their territories and
17 pay them for it?

18 MR. HEALY: Form. Foundation.

19 THE WITNESS: Sole remedy, yes. I mean,
20 other than -- I mean, we tried to work with them
21 and, you know, get them to come up to speed. But
22 yes, that was the sole remedy.

23

24 BY MR. DAVIS:

25 Q Let's look at the next document --

27

1 A Okay.

2 Q -- which is Exhibit 3, which is
3 LIBERTY-ROADKING 13 and the documents that follow.
4 This one is a little bit of an updated AD agreement.

5 A Okay.

6 Q This one -- if you look at the end, which
7 is the last page, Schedule B, it says, Minimum
8 requirements. Do you see that?

9 A Schedule B?

10 Q Yes. The last page.

11 A Yes.

12 Q 33.

13 A Uh-huh.

14 Q And this is also the development schedule;
15 is that right?

16 A Yes. Looks like it, yes.

17 Q Okay. And in this case Section 4.1 -- if
18 you look at Section 4.1 again under this agreement
19 with me, please. The -- see where it says, Minimum
20 requirements, there?

21 A Uh-huh.

22 Q At the end of that paragraph, there's a
23 sentence that is inserted here that wasn't in the
24 prior version. It says, This deletion is Liberty's
25 sole remedy for failure to meet minimum requirements.

~~28~~

1 Do you see that, the last sentence of that 4.1
2 paragraph?

3 A On 4.1?

4 Q Yes.

5 A On the first paragraph?

6 Q Yes.

7 A Yes.

8 Q Okay. Do you know why that sentence was
9 inserted into the area developer agreement form?

10 A Because it was -- it was inserted because
11 we wanted to let them know that that was our practice.
12 If you weren't meeting your development schedule, we
13 could go in there and delete the territories -- you
14 know, pay you for them, and that's our sole remedy.
15 You know, so it was kind of like, All right, you know,
16 we want you guys helping us to build and grow. And if
17 you're not going to do it, then we're going to delete
18 your territories and buy those territories back and
19 get somebody else to do it.

20 Q And was that to assuage concerns by an AD
21 that maybe they would be prevented from renewing if
22 they didn't meet the schedule?

23 MR. HEALY: Form. Foundation.

24 THE WITNESS: Yes.

25

29

1 BY MR. DAVIS:

2 Q Okay. And so was it the intent of Liberty
3 Tax during your tenure, as reflected in the area
4 developer agreement, that if an AD was not meeting the
5 development schedule that it wouldn't -- it wouldn't
6 be a basis to prevent them from renewing, and instead
7 it would just be a basis for perhaps deleting the
8 territory and paying market value?

9 MR. HEALY: Form. Foundation.

10 THE WITNESS: Yes.

11

12 BY MR. DAVIS:

13 Q Okay. Let me ask you about -- I don't
14 know that you know much about it, but the -- other
15 than -- well, strike that.

16 You also became an area developer --

17 A Yes.

18 Q -- at some point? When did you become an
19 area developer?

20 A It was actually -- my wife was the area --
21 I wasn't even on the agreement until way later, so it
22 was my wife. And she had a partner, the Yorks
23 (phonetic). And I want to say they bought their first
24 area development rights -- it was in central Florida,
25 and I want to say late 2000 or early 2003.

30

1 Q How many territories did you or your wife
2 own over the time period that you guys owned or still
3 own AD territories?

4 A Well, when we -- through the whole
5 expansion, I don't know the exact number. But I
6 believe it was over a hundred territories.

7 Q And are you currently a Liberty Tax area
8 developer?

9 A No.

10 Q And is that because Liberty terminated or
11 declined to renew?

12 A Well, we --

13 MR. HEALY: Objection to form.

14 THE WITNESS: We -- my wife tried to log
15 on to do her duties. I believe it was during the
16 tax season. She really ran the thing. And then
17 we had one of our franchisees send me a text
18 message and said, Are you guys still area
19 developers? And I said, Yes. Why? And then
20 through this whole chain of events, they had
21 turned us off. And we never got a notice because
22 they sent it to our old address.

23

24 BY MR. DAVIS:

25 Q Got ya. Meaning you didn't receive a

31

1 notice from Liberty of termination or what?

2 A Termination.

3 MR. HEALY: Object to form.

4
5 BY MR. DAVIS:

6 Q And how do you know that Liberty sent it
7 to your old address?

8 A Because I believe that's what they ended
9 up saying, it went to this address. From memory. I'm
10 doing this from memory.

11 Q When was that approximately?

12 A Oh, gosh. Three years ago. Three -- it
13 was right before -- yeah. It was about three years
14 ago. It was right before -- was COVID 2000?

15 Q Yes.

16 A It was either '19 or 2000. I don't
17 remember.

18 Q Very good.

19 A It was one of those years.

20 Q The notion of charging a tax preparation
21 customer an E-file fee -- you're familiar with that
22 practice, correct?

23 A Yes. I mean, that -- yes. Yes.

24 Q Okay. And that's -- that -- the
25 introduction of E-file fees was something that came

32

1 into place after you had left Liberty corporate; is
2 that right?

3 A Yes.

4 Q Okay. But you're -- so your familiarity
5 with that is because you were an area developer either
6 directly or your wife or through an entity or a
7 partner, correct?

8 A Uh-huh. Yes.

9 Q Okay. What -- do you have any knowledge
10 of Liberty's policies as stated by someone with
11 authority from Liberty to the area developers as to
12 whether area developers would receive royalties on
13 E-file fees?

14 MR. HEALY: Objection to form.

15 Foundation.

16 THE WITNESS: Okay. So we had a meeting
17 with Brent Turner, and this was in September of
18 '19, I believe, at the home office. And I'm
19 trying to remember who was there. I know Sandy
20 was there, Sandy Stow. I believe Ray Dunn was
21 there. There was two people on the -- on the --
22 there was a couple other people there. I think
23 maybe Dan Roman. I'm sure somewhere there's a
24 list of the people that were at that. And then
25 there was two people on the phone, Elsa Ibra

33

1 (phonetic) from Los Angeles and then Mark -- I
2 can't think of his last name. Oh, God. I can't
3 think of his last name. And at that -- at that
4 meeting Brent Turner stated that we were going to
5 get paid on those E-file fees.

6

7 BY MR. DAVIS:

8 Q Uh-huh. He said that you were going to
9 get paid?

10 A Uh-huh.

11 Q And is that because -- or was the context
12 of that that ADs were being paid for a period of time
13 and then ADs were no longer being paid?

14 MR. HEALY: Form. Foundation.

15 THE WITNESS: So I'm doing this off
16 memory. Is -- there is -- from what I remember,
17 there was objection about -- well, he wanted --
18 Brent, when I say he, wanted us to work with the
19 franchisees in getting them to start charging
20 these E-file fees. And so he was soliciting our
21 help to -- or the area developers' help to get
22 the franchisees to start charging these E-file
23 fees. And at the meeting he also reassured us
24 that we would be paid, the ADs would be paid.

25

34

1 BY MR. DAVIS:

2 Q And then after that meeting do you know if
3 ADs -- well, strike that.

4 Do you have any actual personal knowledge
5 regarding the operations of Jerry Bayless, ZeeDee,
6 Road King, David Perez?

7 A From the --

8 MR. HEALY: Form.

9 THE WITNESS: The only knowledge I have is
10 Jerry Bayless is the area developer and David
11 Perez is one of his franchisees.

12

13 BY MR. DAVIS:

14 Q Okay.

15 A One of his largest franchisees, if my
16 memory serves me correctly.

17 Q Okay. In terms of their actual
18 operations, how well they're doing, sales numbers,
19 things like that, any personal knowledge of that?

20 A I really don't because I -- like I said, I
21 left in 2012. And I was already moving out of that
22 position before then so --

23 Q Very good. Well, I guess part of the
24 reason I'm asking is because the AD agreement we --
25 the second one we looked at is 2014.

35

1 A Uh-huh.

2 Q And so that was drafted after you left?

3 A Yes.

4 Q Okay. Now, but I asked you about the
5 insertion of that sentence that the deletion of the
6 territory would be the sole remedy. Was that a
7 sentence that was inserted before you left?

8 A I believe so, yes.

9 Q Okay. And so when I asked you the
10 question why was that sentence inserted, even though
11 you left before this 2014 Exhibit 3 was signed, your
12 answer is that was inserted --

13 A I believe it was inserted a few --

14 MR. HEALY: Form. Foundation.

15 THE WITNESS: -- a few years earlier.

16

17 BY MR. DAVIS:

18 Q Okay.

19 A I couldn't tell you exactly what year.

20 Q Okay.

21 A Yeah.

22 Q Got ya. I guess to say that differently,
23 when I asked you the questions earlier about the basis
24 for why Liberty inserted that sentence and you
25 answered me, your answer related to your time while

36

1 you were there? Not specifically to Exhibit 3,
2 because that was after you left; but while you were
3 there that was the reason; is that right?

4 A Correct.

5 Q Okay. The renewal of AD agreements --

6 A Uh-huh.

7 Q The agreement -- all the iterations that
8 I've seen say that to renew the AD must provide
9 written notice of intent to renew.

10 A Uh-huh.

11 Q The requirement that renewal be in
12 writing, was that something that Liberty would often
13 or as a matter of policy waive?

14 MR. HEALY: Objection to form.

15 Foundation.

16 THE WITNESS: Yes.

17

18 BY MR. DAVIS:

19 Q Okay.

20 A Some people would -- I mean, sometimes
21 Liberty would send a notice, hey, you're up for
22 renewal. We're going to send your documents out.
23 Okay. Or people would call and tell us they want to
24 renew, and we would send the documents out. Some
25 people would send notice in. It was all across the

1 board.

2 Q Was it the regular and uniform practice
3 and policy at Liberty to waive the requirement that an
4 AD must provide written notice of intent to renew?

5 MR. HEALY: Objection to form.

6 Foundation.

7 THE WITNESS: Can you say that -- ask me
8 the question again, please.

9
10 BY MR. DAVIS:

11 Q Yeah. Was it the practice and policy of
12 Liberty to waive the requirement that a notice
13 agreement would be in writing from an area developer?

14 MR. HEALY: Same objections.

15 THE WITNESS: I guess the same answer. It
16 was across the board. It was some people -- some
17 people sent a notice in. Other people called us.
18 Other people we called them and said, Hey, you're
19 up for renewal. We're going to send out your
20 agreements. Okay?

21
22 BY MR. DAVIS:

23 Q Okay. So were there instances that you
24 can recall where an area developer provided oral
25 notice of intent to renew and Liberty said no, that's

1 not good enough. It had to be in writing.

2 Sorry. You're done?

3 MR. HEALY: Form. Foundation.

4 THE WITNESS: No. I cannot remember an
5 instance like that.

6

7 BY MR. DAVIS:

8 Q Okay. So was the policy of renewal
9 something that Liberty treated for area developers --
10 was that something that Liberty treated loosely?

11 MR. HEALY: Objection to form.

12 Foundation.

13 THE WITNESS: Yes. And I understand the
14 word loosely. It's -- they weren't hard and
15 heavy and -- well, they didn't operate by the
16 letter of the law on the renewal. Like I said
17 before, it was across the board.

18

19 BY MR. DAVIS:

20 Q So did Liberty Tax area developers --
21 strike that. During the process of sales of AD
22 agreement and/or operations, were area developers told
23 by someone at Liberty Tax that they didn't need to
24 worry about providing formal written notice?

25 MR. HEALY: Objection to form.

39

1 Foundation.

2 THE WITNESS: I don't know if that was
3 ever stated. I can't say.

4
5 BY MR. DAVIS:

6 Q Okay. Do you know -- did -- as a -- in a
7 general sense for area developers, did they have an
8 expectation that the agreements were going to be
9 renewed into perpetuity?

10 A Yes.

11 MR. HEALY: Objection to form.

12 Foundation.

13
14 BY MR. DAVIS:

15 Q Why did they have that expectation?

16 MR. HEALY: Same objections.

17 THE WITNESS: Because Mr. Hewitt said it.
18 I said it. That was just common -- it was common
19 knowledge.

20
21 BY MR. DAVIS:

22 Q At some point in time, did you come to an
23 understanding that Liberty seemed to want to get rid
24 of its area developers?

25 MR. HEALY: Objection to form.

1 Foundation.

2 THE WITNESS: Yes.

3

4 BY MR. DAVIS:

5 Q When was that?

6 A That was -- it probably started -- and I
7 don't have the exact dates, but about the time that --
8 during and before and about the time John left, it
9 became very clear and evident because I remember
10 them -- and I don't remember what year this happened.
11 But they took the AD payment off the balance sheet and
12 put it on there and they moved it from -- and I can't
13 remember where it was. I remember when they moved it
14 to AD and then moved -- put expense on there. And I
15 remember telling Mary -- I said, The ADs just became a
16 target.

17 Q On the -- meaning on Liberty's public SCC
18 filings that --

19 A I believe it -- yes, it was on -- I
20 believe so.

21 MR. HEALY: I'm going to object to form
22 and foundation.

23

24 BY MR. DAVIS:

25 Q And what other evidence did you have or

41

1 perceive that caused you to believe that Liberty was
2 trying to get rid of its ADs?

3 A Okay. So when Ed Brunot came in, he
4 was -- my dad was a colonel in the Air Force. And so
5 he was a captain. And I always said, you know, You
6 bring a captain in, He does all the dirty work. He's
7 the one that charges the hill, you know, over the
8 grunts and he's expendable. And I said, I believe
9 that he was brought in just to get rid of all the ADs
10 and that was the mandate from the board and from Kathy
11 Donovan, who was the CFO at the time. And that --

12 A case in point. When we went to the
13 retreat in Nantucket, we had a meeting with -- and I
14 remember myself and my wife being at the last meeting
15 with Ed Brunot before we went into the general meeting
16 before dinner. And my wife, Mary, kind of read him
17 the riot act about, you know, You're messing with
18 people's lives here and you don't know the impact that
19 you have on them. And for a second it got to him
20 because afterwards he came out after that meeting and
21 said, You're right. We're dealing with people's lives
22 here. We've got to think differently.

23 Well, between there and dinnertime, I'm
24 sure he talked to either Kathy Donovan or somebody on
25 the board that said you're not there to make friends

42

1 with these people. You're there to get rid of them.
2 And during that whole time at the dinner -- and you
3 have to understand the culture before that. We
4 always -- we always mingled, but John would mingle
5 around the table. All the corporate people would go
6 around the table, mingle, sit with -- they were all by
7 themselves. And I remember talking -- I remember
8 pointing to the table. And I was at the table with
9 Steve Oaks, Dan Roman, and a few other people. I
10 said, That right there paints a -- paints a picture
11 right there. They're not worried about building any
12 relationships with us because they want to get rid of
13 us so --

14 Q Any other evidence?

15 A Well, just the things that they started
16 doing and the way they started treating the area
17 developers. And it was -- it was always -- you know,
18 to me, actions speak louder than words. There was
19 words and there was actions, and those words and those
20 actions were not lining up so --

21 MR. DAVIS: I think that's all the
22 questions I have.

23 MR. HEALY: Mind if we take a break?

24 MR. DAVIS: Sure.

25 THE WITNESS: I don't mind.

1 (A short break was taken.)

2

3

EXAMINATION

4

5 BY MR. HEALY:

6 Q Mr. Johnson, we met off the record. But
7 just so you're familiar, again, my name is Bryan
8 Healy, and I represent JTH Tax, LLC --

9 A Okay.

10 Q -- in this litigation. And I think also
11 off the record we had a conversation about your
12 residence, and that's in Virginia Beach, right?

13 A That's correct.

14 Q Can you give me an exact address?

15 A Sure. 2212 Rio Rancho Drive, Virginia
16 Beach, Virginia 23456.

17 Q And you testified that you worked at
18 Liberty until 2012, right?

19 A Correct.

20 Q And we'll get into the substance of your
21 job at Liberty Tax later. But where -- well, first
22 let me ask. Under what circumstances did your
23 employment with Liberty end?

24 A I went to Mr. Hewitt and said, It's time
25 for me to move on. So it was mutual.

1 Q It was mutual?

2 A Yeah.

3 Q And where -- well, so I guess let me go
4 back. You voluntarily resigned?

5 A Yes.

6 Q Was that because you were unhappy with
7 Liberty or just needed a change? If you could just
8 elaborate a little bit.

9 A No, I wasn't unhappy. I just needed
10 another -- it was time for my next challenge.

11 Q Okay. And what was that next challenge?

12 A So I had -- so I actually -- while I
13 was -- I had a company called FranchiseThis!, and I
14 helped young franchisers grow their brands. And so
15 right after that, I -- after I left, I actually --
16 Gary Goldman (phonetic) called me, who was on our
17 board at Liberty as a venture capitalist. He said,
18 I've got this company I'm looking at. They need your
19 skill set. I'd like you to meet with them. So
20 anyway, long story short, we got -- I did a contract
21 to help him franchise, and we got into food delivery.
22 It was called OrderUp. And it was eventually bought
23 by Groupon, which eventually Grubhub bought it from
24 Groupon, so --

25 Q And is FranchiseThis! still in operation?

45

1 A It is. I don't -- I mean, I never
2 actively pursued clients. But I still have one client
3 with it.

4 Q Do you have any other positions?

5 A Yes.

6 Q And what is that?

7 A I'm the CEO of Loyalty Brands Franchising.

8 Q And when did you begin that position?

9 A Oh, gosh.

10 Q Or let's start with --

11 A Okay.

12 Q I'm sorry. I don't mean to interrupt.

13 A Sure.

14 Q When did you start with Loyalty Brands?

15 A I started with Loyalty Brands Franchising
16 in October of -- so this October it will be -- it will
17 be two years. So that was, what, '20 or 2000? Is
18 that correct? I think it was October of 2000.

19 Q Okay.

20 A '21, '22. Yes.

21 Q 2020 you mean?

22 A 2020. Yes.

23 Q Okay. And have you always been CEO with
24 Loyalty Brands?

25 A Of Loyalty Brands Franchising. It was two

~~46~~

1 different companies.

2 Q Two different companies?

3 A Yes.

4 Q Okay. So explain to me the differences in
5 your role with Loyalty Brands Franchising and Loyalty
6 Brands.

7 A So Loyalty Brands Franchising is a
8 subsidiary of Loyalty Brands. And so I work with --
9 mainly with the young entrepreneurs, young startup
10 franchises.

11 Q And do you have different roles within
12 each company?

13 A No. I have no role in Loyalty Brands.

14 Q Okay. And so you're only CEO of Loyalty
15 Brands Franchising?

16 A Correct.

17 Q Okay. And Loyalty Brands, is that a
18 company owned by John Hewitt?

19 A Partly, yes.

20 Q Do you know what the extent of the
21 ownership is?

22 A I couldn't tell you offhand. I mean, I'd
23 have to get the document and show it. So I can't tell
24 you --

25 Q Yeah. I'm not going to -- I'm not going

47

1 to grill you on that.

2 A Yeah.

3 Q How did you become involved with Loyalty
4 Brands Franchising?

5 A I mean, obviously I worked with John at
6 Jackson Hewitt. I worked with him at Liberty. I did
7 my own company, which I was doing the same exact
8 thing. And so we met. And we met and thought about
9 it and said, Okay, I've got one more good run in
10 you -- in me. You know, I'll go to work and see where
11 we can take this thing.

12 Q And you've been in your same position,
13 CEO, for the entirety of the --

14 A Yes.

15 Q -- time period you've been employed?

16 A Uh-huh. Yeah.

17 Q And is it fair to say that John hired you?

18 A Yes.

19 Q Is it fair to say that John is your boss?

20 A Is John my boss? Yes, I guess you
21 could --

22 Q And I think -- jeez, I've got to go back
23 in my notes here. But I think you said you first met
24 John and became involved with Jackson Hewitt in 1992;
25 is that right?

48

1 A I believe it was '92. It could have
2 been -- it could have been -- because I moved up here
3 from Orlando. It may have been '93, actually. It
4 might have been '93.

5 Q Okay. So roughly thirty years you've
6 known John, then?

7 A Yeah. Uh-huh.

8 Q Would you consider John a friend?

9 A Yeah.

10 Q A business mentor?

11 A Yes.

12 Q Have you talked with John about this suit
13 or any other -- well, let's just start -- have you
14 talked with John about this particular lawsuit?

15 A Just in vague terms.

16 Q Can you elaborate?

17 A I mean, Are you getting deposed? I'm
18 getting deposed. Have a good time.

19 Q For the record, are you having a good
20 time?

21 A Yeah. I always have a good time.

22 MR. DAVIS: Object to form.

23 THE WITNESS: There we go.

24

25

1 BY MR. HEALY:

2 Q I'm wondering if you could put a little
3 meat on the bones there. Did you discuss the
4 substance of the allegations at all with John?

5 A No. I mean, are you -- well, finish
6 asking me what you're asking me, then.

7 Q I'll leave it at that.

8 A No.

9 Q Did you discuss the substance of the
10 allegations with John?

11 A No. No. We knew that we were -- it was
12 happening. We talk in generals. We don't strategize
13 about it. You know, like I said, Are you getting
14 deposed? Are you getting deposed? Have a good time,
15 you know.

16 Q Did he express a viewpoint on the
17 litigation?

18 A If he did, I don't remember.

19 THE COURT REPORTER: And I'm sorry. Did
20 you say, Did he express a viewpoint?

21 MR. HEALY: Yes. Correct. And just let
22 me know if you need me to slow down.

23 THE WITNESS: Yes, he did say that.

24 THE COURT REPORTER: It's not really
25 your -- it's your volume, not your speed.

50

1 MR. HEALY: Okay. I'll try to speak up,
2 then.

3 THE COURT REPORTER: It's only because of
4 the air conditioning.

5
6 BY MR. HEALY:

7 Q Have you talked with any other area
8 developers about anticipated or pending litigation
9 with Liberty excluding the suit that you are involved
10 in with Liberty?

11 MR. DAVIS: Well -- well, wait a minute.
12 Hold on one second. So he is or was an area
13 developer with (inaudible).

14 THE COURT REPORTER: I'm sorry. Was an
15 area developer with what?

16 MR. DAVIS: Mufeed Haddad.

17 THE WITNESS: M-U-F-E-E-D. M-U-F-E-E-D.

18 MR. DAVIS: So I just want to be careful
19 that we don't get into anything that's
20 privileged.

21 THE WITNESS: Yes.

22 MR. HEALY: Absolutely. And I don't want
23 to know conversations that you have had with
24 Mr. Davis about your lawsuit.

25 THE WITNESS: Okay.

51

1 MR. HEALY: Or Mr. Davis or anyone
2 associated with his firm, even, you know,
3 secretaries or paralegals.

4 THE WITNESS: Uh-huh.

5 MR. DAVIS: I guess what I'm getting at is
6 he may have had conversations with his business
7 partners that are work product that are related
8 to this lawsuit. Not this lawsuit. Related to
9 his lawsuit I mean.

10 MR. HEALY: Okay.

11 MR. DAVIS: That's what I'm getting at.

12

13 BY MR. HEALY:

14 Q Okay. So excluding conversations with
15 Mr. Davis or his staff or your business partners in
16 relation to this specific litigation with Liberty,
17 have you spoken with other ADs?

18 A Yes.

19 Q Who are those ADs?

20 A I spoke with -- I mean, just in general.
21 I mean, I'm still friends with a lot of them. And so
22 I don't know that I got into any specifics of any
23 case, you know. But, you know, I'm still friends with
24 a lot of them, if not the majority of them. So I
25 couldn't sit here and tell you I had this conversation

52

1 with so-and-so and this is what we talked about
2 because it was all in generalization. It wasn't
3 anything we were strategizing or anything like that
4 so --

5 Q Have you spoken with Christopher Robinson?

6 A Christopher Robinson? No.

7 Q Peter Ziolkowski?

8 A I did speak with Peter before. The last
9 time I spoke with Peter was probably --

10 MR. DAVIS: Sark --

11 THE WITNESS: Ziolkowski.

12 MR. DAVIS: Sarkau --

13 THE WITNESS: Ziolkowski, yeah.

14 MR. DAVIS: Sarkauskas.

15 THE WITNESS: I just call him --

16 MR. HEALY: I'm probably butchering his
17 name.

18 THE WITNESS: I just call him Peter Z.

19 I talked to Peter, and I think the last
20 time I talked to him was before I -- before
21 his -- went to his -- to arbitration for a second
22 there. I don't remember. I just remember
23 talking to him. I remember -- I remember in the
24 grocery store -- I was standing in the grocery
25 store. It was raining, and he was about to go on

53

1 a walk on a trail or something.

2 MR. DAVIS: Brad Sarkauskas.

3 THE WITNESS: Brad --

4 MR. DAVIS: It's not Peter.

5 THE WITNESS: Oh.

6 MR. DAVIS: It's Brad Sarkauskas.

7 MR. HEALY: Well, so I'm referencing -- to
8 be clear for the record --

9 THE WITNESS: Yeah.

10 MR. HEALY: -- I'm talking about Peter
11 Ziolkowski, who -- and I don't want to, you know,
12 make assumptions or prompt the witness -- but
13 who's involved with picking or franchising --

14 MR. DAVIS: Okay. That's different, so
15 we're talking about two different people.

16 THE WITNESS: Peter.

17 MR. HEALY: Peter.

18 THE WITNESS: Yeah. That's who I thought
19 he was talking about.

20 MR. HEALY: Yeah.

21 THE WITNESS: So same -- same thing. All
22 right.

23

24 BY MR. HEALY:

25 Q Yeah. So we're on the same page, right?

54

1 A Yeah. Yeah. So I had a conversation with
2 him. I couldn't tell you other than -- the only thing
3 I remember about the conversation was it was raining
4 and he was bemoaning everything he was going through
5 and I was listening to him. And then -- and he was
6 getting ready to go take a hike on a trail, and I
7 couldn't tell you any more or anything less of that
8 conversation.

9 Q So he was complaining about Liberty's
10 actions?

11 A I don't know that he -- well, was he
12 complaining? Maybe. You know, he's not really -- I
13 don't want to say complaining. He's not really a
14 complainer. You know, he was maybe expressing his --
15 you know, what he thought. I was just basically being
16 a friend and listening.

17 Q Were you sympathetic to his viewpoints
18 and, you know, being mindful that you didn't
19 (inaudible)?

20 MR. DAVIS: Object to form.

21 THE COURT REPORTER: I'm sorry. You know,
22 being mindful that you didn't --

23 MR. HEALY: That he did not characterize
24 them as complaints.

25 THE WITNESS: No. I don't -- I mean, it

55

1 is what it was. I wasn't -- you know, Peter was
2 Peter. And he always had a way of talking and
3 explaining things, and so I was just listening to
4 him. You know, and I would just say, Peter, I
5 hope it turns out for the best. I may have said
6 that. Probably said that. And then I said, Hey,
7 have a good time on your trail walking.

8

9 BY MR. HEALY:

10 Q And so you guys are friends or friendly?

11 A We're friendly. I wouldn't say I'm his
12 bud or anything, you know, so --13 Q And we'll seal that part of the deposition
14 so he doesn't know.15 A Okay. Yeah. Okay. For the record, I
16 like him. I like Peter.17 Q Did you provide any sworn testimony in
18 Mr. Ziolkowski's action against Liberty?19 A Did I provide any sworn testimony? There
20 was -- yes, there was one thing that I signed. And it
21 was -- I can't remember what it was. It was
22 something. You guys probably have it, right? There
23 was something that I signed.24 Q To your -- to the best of your
25 recollection, is that an affidavit?

56

1 A Yes.

2 Q Okay.

3 A I believe it was, yes.

4 Q And you provided that to Mr. Ziolkowski
5 and his attorneys?

6 A Uh-huh.

7 Q For use in pending litigation against
8 Liberty, right?

9 A Yes.

10 Q Okay. Have you talked --

11 A Well, let me say this too. The first one
12 they sent me I rejected. I said, I'm not signing
13 this.

14 Q Why not?

15 A Because I said I couldn't -- I couldn't --
16 I can't remember what was in there. And I said, I
17 cannot sign that I have knowledge of this. And I
18 can't remember what part it was. Other than the first
19 one they sent me, I said, No, I'm not going to sign
20 that because I cannot verify -- and it was a -- it's
21 kind of coming back. He wanted me to use a term in
22 there. And I said, I can't because I -- one, I
23 don't -- I wouldn't use that term, you know, so I'm
24 not going to sign it.

25 Q So it was because you didn't agree with

57

1 the substance --

2 A Yes.

3 Q -- that was in there?

4 A Absolutely.

5 Q And then you had them revise it and then
6 you signed?

7 A Yeah. Revise it and dumb it down because
8 it was a lot less.

9 Q Do you remember what that term was or --

10 A I don't. I don't even remember. It was
11 just something they put in there. I said, That's
12 not -- that's not something I would say.

13 Q Uh-huh. Okay. So let's talk a little bit
14 about the pending litigation that you are involved
15 in --

16 A Okay.

17 Q -- with Liberty. And, again, I don't want
18 to know anything -- I'm not entitled to know it and I
19 don't want to know anything that you've talked to
20 Mr. Davis about or any of Mr. Davis' staff or your
21 coplaintiffs or business partners when you anticipated
22 bringing litigation or after you brought litigation,
23 so I'll preface it with that. When did you first
24 become an area developer?

25 A Again, this is going off of memory. And I

58

1 actually -- my wife became an area developer in, I
2 think, 2003. 2003. I did not get put on the contract
3 until years later, and I couldn't tell you what year.
4 So that's when I became on -- and I was only five
5 percent on there. I think it was for estate planning
6 purposes or something. I since then fired that guy.

7 Q And so in 2003 you were -- you were still
8 at Liberty then, right?

9 A Yes. Uh-huh.

10 Q And did you coordinate in any way your
11 wife's involvement as an area developer?

12 A I mean, it went through my office on there
13 and everything. I mean, if you see, John signs off on
14 all the agreements. We used the same formula. If
15 you're asking me if I gave her any special treatment,
16 no. She got the same deal everybody else was getting
17 at the same time.

18 Q And refresh my recollection. I just don't
19 have the papers with me right now.

20 A Sure.

21 Q The other -- the other business partners
22 were Michael Budka --

23 A Mike Budka. Michael Budka.

24 Q Budka. And then the entity that they were
25 under was M&M --

59

1 A Yes.

2 Q -- Business Group, right?

3 A I believe so, yeah.

4 Q Okay. And you said that the first
5 agreement was in 2003, right?

6 A I believe so. It was 2003.

7 Q Do you know if there was a term associated
8 with that agreement?

9 A Term in what aspect? Like --

10 Q Term as in did the contract last for a
11 specific period --

12 A Yes.

13 Q -- of time?

14 A Yes.

15 Q How long did that last for?

16 A Ten years.

17 Q Ten years?

18 A Renewable to perpetuity.

19 Q And so at the end of ten years, did the --
20 was the area developer agreement renewed?

21 A Yes. Yeah. Well, here's -- we had a
22 former partner, and Mike Budka and Maquida Don
23 (phonetic) bought those partners out. And I don't
24 even remember what year it was they bought them out.
25 And so when we -- from what I can remember, when they

60

1 were bought out, they signed a new ten-year agreement.
2 Was that year six or seven? I don't remember exactly
3 when.

4 Q But a new agreement was signed?

5 A Yes.

6 Q And were you personally involved in that
7 agreement?

8 A Yes.

9 Q As an area developer?

10 A Yeah. As the vice president of area
11 development. I oversaw, you know --

12 Q Well, I guess I mean to say, to be clear,
13 were you personally a party to the contract as an area
14 developer? Not --

15 A You know, I cannot -- I cannot tell with
16 certainty if I got on the contract then or when I got
17 on the contract. If I had to take a guess -- and this
18 is only a guess -- I think it was after the fact that
19 I got on, but I could not tell you for certainty when
20 it was.

21 Q Were you -- do you know whether you were
22 still at Liberty when you were added to the contract?
23 As an employee?

24 A I couldn't tell you. I really honestly
25 couldn't tell you.

61

1 Q And so --

2 A I don't write a journal. I don't put
3 stuff like that in my journal.

4 Q Do you have a journal?

5 A Yeah, but it's pretty blank.

6 Q So let's flash-forward. You personally
7 and your business partners are now presently suing
8 Liberty, correct?

9 A That is correct.

10 Q For, you know, both wrongful termination
11 of the area development agreement, correct?

12 A Uh-huh.

13 MR. DAVIS: Object to form.

14

15 BY MR. HEALY:

16 Q Do you know how much monetary damages are
17 claimed in that lawsuit?

18 A I do not know. I honestly don't know
19 because I'm not really the one that's spearheading it,
20 and so I couldn't tell you.

21 Q Do you --

22 A If I had to take a guess, twenty or thirty
23 million. I'm teasing.

24 Q So it's fair to say that you would be
25 entitled to some amount of any judgment if you were to

62

1 prevail in that lawsuit?

2 A Yeah. I think I was five-percent owner.

3 Q Okay. And are you familiar with the
4 allegations in this case?

5 A Am I familiar with the allegations in what
6 case?

7 Q In this particular case that you're being
8 deposed in.

9 A Am I familiar with the allegations? I
10 could -- no. I couldn't recite them, no. Other than
11 probably -- I can make an assumption, but I don't -- I
12 couldn't say for a fact.

13 Q Well, I'll just make a representation that
14 at least part of the allegations in this case relate
15 to Liberty's claimed wrongful termination of Road
16 King's area developer agreement and ZeeDee's area
17 developer agreement. Is it a fair assumption to say
18 that those allegations are similar to your pending
19 lawsuit against Liberty?

20 MR. DAVIS: Object to form.

21 THE WITNESS: I couldn't tell you. I'd
22 have to look at -- I'd have to look. I know what
23 we were wrongfully terminated for. But other
24 than having to look at -- go and look at what
25 Road King's was and the other one, I couldn't

63

1 tell you if they were the same or not.

2

3 BY MR. HEALY:

4 Q So in your lawsuit against Liberty, you've
5 claimed that they have wrongfully terminated your area
6 developer agreement, right?

7 A I think so, yeah.

8 Q Do you have -- well, let me ask you this
9 way.

10 A Sure.

11 Q How do you feel about Liberty as a
12 company?

13 A I have a lot of fond memories about
14 Liberty. You know, I helped build the company. And I
15 have nothing but -- nothing but best intentions for
16 them, for all the people that are still there and
17 still relying on Liberty for a source of income. So I
18 have no ill feelings against Liberty and even Brent
19 Turner. I like Brent, you know. But, you know,
20 there's -- you know, there's always business. You
21 know, and being in franchises for the last thirty
22 years, you see a lot. And I've tried not -- and you
23 try not to be too naive about how things really
24 operate, which I alluded to earlier about when they
25 started getting rid of the area developers. You know,

1 it was like -- you know, Guys, I think you forgot
2 about how this company got -- helped get built. If it
3 wasn't for the area developers, the company would not
4 be where it is. And so I think it was a little -- it
5 just happens, right? That's life. That's business,
6 and I don't hold grudges or I'm not bitter about it.
7 You know, do we like going through it? Do we like
8 being terminated? No. I mean, it really -- you know,
9 but it -- life happens, right? And then that's why we
10 have lawyers and we end up in depositions.

11 Q Is it fair to say you disagreed with
12 Liberty's business decision to at least not renew your
13 personal agreement?

14 MR. DAVIS: Object to form.

15 THE WITNESS: Of course, you know.

16
17 BY MR. HEALY:

18 Q Were you upset about that decision?

19 A I was upset about how it made my wife
20 upset, you know, because she was the one that built it
21 and grew it and worked with all those franchisees.
22 And the way we were terminated wasn't -- I didn't
23 think was in the -- it could have been done a lot
24 better. It could have been handled a lot more
25 professional than it was.

65

1 Q Do you know what -- well, I guess let me
2 rephrase. Was there an initial fee associated with
3 your wife's area developer agreement?

4 A Was there an initial fee that she paid?
5 Yeah. Absolutely.

6 Q Do you know off the top of your head what
7 that was?

8 A I don't remember.

9 Q Approximately?

10 A I don't even remember.

11 Q All right. Let's say -- let's pivot a
12 little bit and talk about your employment with Liberty
13 Tax.

14 A Okay.

15 Q Correct me if any of this is wrong. In
16 2000 you started with Liberty?

17 A I believe it was March of 2000.

18 Q And you started as an assistant vice
19 president of franchise development?

20 A Correct.

21 Q And that was prior to the existence of any
22 area developer program, right?

23 A That is correct.

24 Q And then in 2000 -- I think there might
25 have been some confusion about this on the record.

66

1 Was it 2001 or 2002 that Mr. Hewitt approached you
2 about the inception of an area developer program?

3 A It had to be towards the -- it had to be
4 2001. I mean, if I started in March of 2000 -- I said
5 I was working there one year, so it had to be 2001.
6 If I started in March of 2000 and I was going to leave
7 in 2001, so it was in 2001 --

8 Q And --

9 A -- I believe.

10 Q I'm sorry. Go ahead. I didn't --

11 A I believe. I believe it was 2001.

12 Q Okay. And in your position with Liberty
13 Tax -- well, I guess at that time what was your
14 position with Liberty Tax?

15 A Well, up until the time that I -- so I
16 started as the vice president of franchise
17 development, and then John approached me about
18 creating an area development program. And somewhere
19 along the line I became the vice president of area
20 development. You know, I couldn't tell you if it was
21 right then or if it was a year later. Somewhere along
22 the lines.

23 Q And in that position were you responsible
24 for drafting area developer agreements?

25 A No. I had an assistant that drafted them,

67

1 you know. I mean, they were pretty -- I mean, we had
2 our franchise disclosure document, right? So they've
3 got their -- the agreement is already in their system.
4 It doesn't matter -- when you say drafting, are you
5 talking about plugging in the numbers? You know, we
6 did the formula for pricing them out. You know, my
7 assistant got them and she punched in all the numbers.
8 I reviewed it, sent it on to legal, they reviewed it,
9 and John signed off on it.

10 Q So is it fair to say that Mr. Hewitt had
11 ultimate authority for what was and was not contained
12 in an area developer agreement?

13 A Ultimate, yes. I mean, he's the one that
14 signed it. So based on his signature, yes.

15 Q So while others might have had input into
16 what was contained in there, Mr. Hewitt gave the
17 ultimate sign-off?

18 A Yes. After we had put everything in
19 there. I mean, he -- yeah, he -- you want me to give
20 a demonstration of how he signed them? Do you think
21 he went through these? No. He signed off on them
22 so --

23 Q Were you involved in the negotiation of
24 Road King Development, Inc.'s area developer
25 agreement?

~~68~~

1 A Yes.

2 Q For 2005?

3 A Yes.

4 Q Do you know why there was a term?

5 A Why there was a term?

6 Q Correct.

7 A You mean like the ten-year term?

8 Q Correct.

9 A Because that was -- that was what was in
10 our franchise disclosure document. It was a ten-year
11 term but renewable to perpetuity, as was discussed.
12 Anyway --

13 Q Can you point to a clause in the 2005
14 agreement -- and I think that's marked as Johnson 2 --
15 that says the agreement was renewable in perpetuity?

16 A In using those words, no.

17 Q Do you know why a term was included --
18 other than that it was in the franchise disclosure
19 document, do you know why a term was included if the
20 agreements were renewable to perpetuity?

21 MR. DAVIS: Object to form.

22 THE WITNESS: Why a term was in there if
23 they're renewable to perpetuity? Well, just like
24 the franchise agreement was five years, and we
25 had to have the ability for the contract to begin

1 and end just in case a franchisee or area
2 developer was underperforming.

3

4 BY MR. HEALY:

5 Q And the -- in terms of performance
6 requirements for an area developer, would it be fair
7 to say that the development goals in -- let's -- for
8 the 2005 agreement specifically, starting on
9 LIBERTY-ROADKING 62 -- is it fair to say that that was
10 a performance requirement of the area developer?

11 A Performance, slash, target, slash -- you
12 have to understand, you know, we were just creating
13 this program and that at the time very few franchisors
14 were even using this type of program. It was actually
15 reintroduced into franchising because of the success
16 we had. So it was a target, you know, and that's why
17 we gave so much latitude about people's development
18 plans. And that's why we were -- when I was there, it
19 was never terminated -- anybody was ever terminated
20 for not meeting their development plan.

21 Q So I think you --

22 A Because we have to have a goal, right?
23 You have to have a goal, right? When we -- when John
24 first started Liberty, he had a goal to be number one.
25 I mean, that was our goal. That was our mantra. Do

1 we become number one? No. But you have to have a
2 goal. You have to have a target, and so these were
3 parts of the goals and the targets.

4 Q So I'm trying to think of the best way to
5 phrase this.

6 A Take your time.

7 Q You and Mr. Davis had a conversation about
8 whether these were targets, and I think you just
9 referred to them as targets. What I want to know is
10 why if they were, quote, targets or aspirational goals
11 was there a term in the contract?

12 A That's a good question. I can't -- I
13 mean, it was part of our culture. You know, I mean,
14 yes, we have to have a legal document, right? We
15 can't just -- nobody does anything on a handshake
16 anymore. We have to have a legal document. But it
17 was more about the culture and what we were creating
18 and building, and we wanted the right people. And
19 those area developers -- I used to call them the tip
20 of the spear. And they helped to drive this company,
21 and they did. They helped us to collapse timeframes,
22 and that's why we grew. And so we had to treat them
23 with -- you know, there's one thing for a contract.
24 And I get it because you're a lawyer. There's one
25 thing for a contract, and in this day and age they're

71

1 very important. But if you want to build a company,
2 you build a company through culture. So you're
3 building a culture. And that's how we built the
4 culture, through saying, hey, you know what? You
5 didn't sign your 180-day notice. You've got to renew.
6 We'll renew you. And so it creates a culture. You
7 know, hey, you didn't meet your development plan?
8 What are we going to do this year to help you to
9 achieve that goal? It creates a culture. And so it
10 creates a culture between all the parties, between the
11 franchisor, the AD, and the franchisee, that propels
12 the company forward. And the moment you stop doing
13 that, the moment you start saying, oh, gosh, you
14 didn't do this and we have the right -- we think we
15 have the right and we're going to terminate you, it's
16 a culture killer. So that's my story and I'm sticking
17 to it.

18 Q So were you aware, though, of any
19 internal, you know, debates or conversations during
20 your tenure at Liberty making a conscious decision of
21 whether to, you know, include this provision as a
22 requirement of the contract or rather, you know,
23 instill it in a different way?

24 MR. DAVIS: Which provision are you
25 talking about?

72

1 THE WITNESS: Yeah.

2 MR. HEALY: The minimum requirements.

3 MR. DAVIS: Are you talking about 4.1 or
4 are you talking about --

5 MR. HEALY: 4.1 and then Schedule B,
6 elaborating, which I believe has incorporated the
7 paragraph above.

8 THE WITNESS: Yeah. We've always had
9 conversations about it. Can I give you the
10 specific conversations I had? No. We had a lot
11 of conversations about it. What's the right
12 balance between -- like I talked about, what's
13 the right balance between holding them
14 accountable and giving them targets and goals and
15 achieving our targets?

16 We had -- I will put our growth up against
17 anybody else's growth during that period. From
18 2001 to 2012, we grew 4,200 -- well, excuse me.
19 We grew about 4,000 locations because I think
20 when we started the program, we had about 200. I
21 may be off. I'm probably off on there. So the
22 proof is in the pudding, and I would stack it up
23 against any other franchise at the time. So
24 anyway --

25

1 BY MR. HEALY,

2 Q And so the ultimate decision, though, as
3 I'm looking at this contract and specifically
4 LIBERTY-ROADKING 62, was to include it as a
5 contractual provision as opposed to, you know, just
6 a --

7 A Well, the whole thing --

8 Q -- a handshake agreement?

9 MR. DAVIS: Object to form.

10 THE WITNESS: The whole thing is
11 contractual, right? So it's part of the
12 agreement, so I don't know if I -- you know, it
13 was part of the agreement. And I'm not trying to
14 be smart when I'm answering that. I'm just
15 saying the whole thing was contractual. You've
16 got to have an agreement. You have to start
17 somewhere. But it's the parties involved in it
18 and the -- and the culture. I can't stress how
19 important the culture is. And we dealt with
20 people that were -- that were grossly behind and
21 if they weren't trying -- but we never terminated
22 anybody. We did what was right. We always did
23 what was right, whether it was having them sell
24 it, buying them out. But we never outright said
25 even though -- we never outright just terminated

1 somebody. Never.

2

3 BY MR. HEALY:

4 Q So you said you did what was right. Would
5 it be fair to say, then --

6 A I said we did what was right with all
7 parties involved. Not -- so, you know, we were
8 involved. They're involved. Let's look at the
9 situation. And then we would make a judgment on what
10 we're going to do.

11 Q So --

12 A I'm not passionate about this at all.

13 Q Passion can be a good thing.

14 A Yeah.

15 Q So is it fair to say, then, that if not
16 non-renewing an area developer agreement based on a
17 failure to meet these minimum requirements was the
18 right thing to do, would non-renewing it be the wrong
19 thing to do in your eyes?

20 MR. DAVIS: Object to form.

21 THE WITNESS: I'm not really following
22 your question there so --

23

24 BY MR. HEALY:

25 Q So you had testified that you always did

1 the right thing, right?

2 A Always tried to do the right thing. Did
3 we always do the right thing? I don't know.

4 Q And that was in reference to renewing area
5 developers --

6 A Uh-huh.

7 Q -- despite not meeting the minimum
8 requirements, right?

9 MR. DAVIS: Renewing or buying out.

10 That's what he said.

11

12 BY MR. HEALY:

13 Q Renewing or buying out.

14 A Can you rephrase your question one more
15 time? I'm not trying to be --

16 Q Yeah. Yeah. No. That's fine. If you --
17 it's important that you understand what I'm asking --

18 A Yeah.

19 Q -- so you can actually answer it.

20 A Okay.

21 Q And I'm just trying to understand your
22 position. I'm not, you know, here to fight with you
23 about it.

24 A Likewise.

25 Q You had said that, you know, you tried to

76

1 do the right thing with regard to area developers?

2 A We did. Liberty tried to do the right
3 thing, yes.

4 Q And that was in regard to renewing area
5 developers?

6 A It was in regard to everything, not just
7 renewing but in everything. You know, and that's why
8 sometimes when an area developer wasn't performing, I
9 met with them and gave them, hey, you're behind.
10 You've got to do some things this year. And I alluded
11 earlier to Doug Alt and Manny Marrero. I met with
12 them. They improved a little bit, and so we came to
13 an agreement. We bought them out.

14 Q So if Liberty had instead non-renewed
15 their area developer agreement, by the same token
16 would you be of the mind that that would be the wrong
17 thing to do?

18 MR. DAVIS: Object to form.

19 THE WITNESS: We didn't do it, so I
20 couldn't tell you.

21

22 BY MR. HEALY:

23 Q Sitting here today, though, what would be
24 your thoughts on that?

25 MR. DAVIS: Object to form.

77

1 THE WITNESS: I couldn't tell you because
2 we didn't do it.

3

4 BY MR. HEALY:

5 Q All right. So you stopped working at
6 Liberty in 2012, right?

7 A Yes.

8 Q And so it would be fair to say that you
9 had no involvement in the renewal of Road King's area
10 developer agreement, right?

11 A That would be fair to say, yes.

12 Q And would it be fair to say that you had
13 no involvement in the -- in ZeeDee's area developer
14 agreement? And for the record, I'm not sure if I made
15 this clarification yet. When I say, Road King, I mean
16 Road King Development, Inc.

17 A Right. I know.

18 Q And when I say, ZeeDee, I mean ZeeDee,
19 LLC.

20 THE WITNESS: And that's Brad Sarkauskas,
21 right?

22 MR. DAVIS: No. David Perez.

23 THE WITNESS: David Perez. No. Yeah, I
24 had nothing -- no involvement.

25

1 BY MR. HEALY:

2 Q Okay. So you wouldn't be familiar with
3 the negotiation or inclusion of any terms specifically
4 in, I believe, Johnson 4, right?

5 A Johnson 3?

6 Q Johnson -- oh, Johnson 3. Apologies.

7 A No. I -- at that time I was no longer at
8 the company.

9 Q Would you know generally speaking why
10 terms might change between the original area developer
11 agreement --

12 A Uh-huh.

13 Q -- and the renewal area developer
14 agreement?

15 A Why the terms might change? Are you
16 asking me to speculate? I think I made it pretty
17 clear about how the -- how the C Suite (phonetic)
18 changed in their view towards the area developers.

19 Q Well, so just -- and I don't want you to
20 speculate for the record.

21 A Okay.

22 Q Specifically in your experience as the VP
23 of area development, why from -- during your tenure --

24 A Uh-huh.

25 Q -- why an initial area developer agreement

79

1 might say something and then upon renewal there would
2 be different terms in the area developer agreement?

3 A Other than they seemed always to be
4 tweaked. You know, lawyers can't keep their hands off
5 of them, you know, the changing and things like that.
6 You know, the -- I mean, I can get into why the -- I'm
7 not going to get into it. Anyway, that's my answer.

8 Q And so you had mentioned a dinner. God,
9 for the life of me I can't remember.

10 A The dinner was at -- it was at the AD
11 retreat in -- gosh, I can't think of the name. It
12 wasn't the Puget Sound. It was the wrong coast.
13 Nantucket.

14 Q Nantucket. When was that?

15 A '17. And I'm taking a wild guess at that.
16 '17 maybe. Whenever Ed Brunot was the CEO, and that
17 became another issue. Every time -- which I'm sure
18 you know this. Every time a CEO comes and goes and
19 material had changed and the document has to be
20 changed, right? And so while your document is being
21 changed and you don't have a document, you can't sell
22 so --

23 Q And I think in the -- definitely correct
24 me if I'm mischaracterizing anything you said.

25 A Okay.

1 Q You had gotten a, you know, feeling that
2 Liberty was pushing area developers out. Is that fair
3 to say?

4 A It was more than a feeling. It was by
5 what they were doing and what they were -- what their
6 actions were.

7 Q Did anyone at Liberty tell you that they
8 intended to push area developers out?

9 A No, they didn't call me up and say, hey,
10 by the way, I just want to let you know we had a
11 meeting in the C Suite and this is our intention. No,
12 of course not, you know. But the -- you know, I had
13 been around long enough.

14 Q And then you wouldn't be privy to any
15 internal conversations at Liberty regarding policy
16 changes or decisions with regard to area developer
17 agreements at that time?

18 A Well, in the meeting that we had with
19 Brent Turner in September of '19, I mean, he was
20 pretty clear about terminating franchisees -- or
21 excuse me -- area developers. I mean, he stated in
22 that meeting because he -- I believe he said to me
23 that, oh, by the way, you're not on that list. So
24 there was a list by his own admission, a hit list if
25 you will -- I call it that -- you know, of people they

1 were terminating so --

2 Q But other than statements made by Brent
3 Turner, you were not familiar with, you know, internal
4 discussions --

5 A No.

6 Q -- between Liberty? And you don't have
7 any personal knowledge in regard to decisions made
8 about non-renewing Road King's area developer
9 agreement, correct?

10 A I was not involved.

11 Q And the same is true with ZeeDee, correct?

12 A Correct.

13 Q During your time at Liberty, are you aware
14 of any written amendments to Road King's area
15 developer agreement?

16 A I couldn't tell you with certainty.

17 Q Are you aware of any written amendments
18 that would waive compliance with minimum requirements
19 in Road King's area developer agreement?

20 A I couldn't tell you with certainty. I
21 was --

22 Q Are you -- I'm sorry. I didn't mean to
23 interrupt.

24 A That's all right.

25 Q Are you familiar with any written

82

1 amendments that would waive notice requirements in
2 Road King's area developer agreement?

3 A I couldn't tell you with certainty.

4 Q All right. Hopefully, we can get you back
5 to your grandkids here soon.

6 A That would be awesome, for the record.

7 Q E-filing fees. There was a discussion
8 about E-filing fees between you and Mr. Davis. When
9 did you say that those were instituted at Liberty?

10 A I -- you know, the E-filing fees -- I
11 don't -- I couldn't tell you, you know. I think it
12 was after -- it was obviously after I left, you know,
13 so I couldn't tell you what year it was. If I had to
14 take a guess -- well, going back to the meeting with
15 Brent -- Mr. Turner in September of '19, you know, he
16 was soliciting for our help to help the franchisee
17 start charging E-file fees. So I guess it was around
18 2019.

19 Q Is it fair to say that -- and I understand
20 you're approximating there.

21 A Yeah.

22 Q -- that E-filing fees were not an aspect
23 of Liberty's business in 2005?

24 A No, I do not believe so.

25 Q And so it's fair to say that in Road

1 King's 2005 area developer agreement, E-filing fees
2 were not contemplated?

3 A Were they not contemplated? No.

4 Q I forget if I asked. Have you -- you
5 didn't talk to Jerry Bayless about your deposition
6 today?

7 A No.

8 Q And you didn't talk to David Perez?

9 A No.

10 MR. HEALY: I don't -- I don't think I
11 have anything else. I really appreciate your
12 time today.

13 THE WITNESS: Sure.

14 MR. HEALY: I'm sorry we started late and
15 took time away from your grandkids.

16 THE WITNESS: I just hope you get out of
17 here and beat the traffic back.

18 MR. HEALY: There's no chance of that. I
19 don't know if Mr. Davis has any questions for
20 you.

21 MR. DAVIS: I don't have any follow-up
22 questions.

23 You have the right to read and sign your
24 deposition, or you can waive that. I can't
25 advise you in this case. We don't represent you

1 in this case.

2 THE WITNESS: I would like to look at it
3 and then sign it.

4 MR. DAVIS: That's fine.

5 MR. HEALY: Appreciate it, sir.

6 THE WITNESS: Hey, likewise.

7 (The deposition of Mark Johnson concluded
8 at 1:17 p.m.)

9

10 -----oOo-----

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 COURT REPORTER'S CERTIFICATE

2
3 COMMONWEALTH OF VIRGINIA:4 CITY OF VIRGINIA BEACH:
5

6 I, Dana M. Pon, Notary Public in and for the above
7 county and state, do hereby certify that the foregoing
8 testimony was taken before me at the time and place
9 herein-before set forth; that the witness was by me
10 first duly sworn to testify to the truth, the whole
11 truth, and nothing but the truth, that thereupon the
12 foregoing testimony was later reduced by computer
13 transcription; and I certify that this is a true and
14 correct transcript of my stenographic notes so taken
15 to the best of my ability.

16 I further certify that I am not of counsel to
17 either party, nor interested in the event of this
18 cause.

19
20 Given under my hand this ___ day of _____, 2022.

21
22 My commission expires September 30, 2022.

23
24 _____
25 Dana M. Pon, Court Reporter
Notary Registration Number 320348

\$	2014 [3] - 22:25, 34:25, 35:11 2019 [1] - 82:18 2020 [2] - 45:21, 45:22 2022 [3] - 1:17, 85:20, 85:22 2212 [1] - 43:15 22314 [1] - 1:24 23 [1] - 2:12 23320 [1] - 1:21 23456 [1] - 43:16 24 [1] - 2:13 2:21-cv-55 [1] - 1:7	act [1] - 41:17 action [1] - 55:18 actions [5] - 42:18, 42:19, 42:20, 54:10, 80:6 actively [1] - 45:2 actual [2] - 34:4, 34:17 AD [35] - 7:16, 7:23, 8:10, 8:25, 9:22, 11:25, 12:9, 12:12, 12:14, 13:8, 14:5, 14:20, 14:21, 15:3, 15:18, 16:1, 18:17, 19:3, 21:20, 25:24, 26:10, 26:14, 27:4, 28:20, 29:4, 30:3, 34:24, 36:5, 36:8, 37:4, 38:21, 40:11, 40:14, 71:11, 79:10 added [1] - 60:22 address [4] - 30:22, 31:7, 31:9, 43:14 admission [1] - 80:24 ADs [14] - 10:5, 10:9, 17:23, 20:8, 21:5, 33:12, 33:13, 33:24, 34:3, 40:15, 41:2, 41:9, 51:17, 51:19 advise [1] - 83:25 affidavit [1] - 55:25 affiliated [1] - 6:21 afterwards [1] - 41:20 age [2] - 15:11, 70:25 ago [2] - 31:12, 31:14 agree [1] - 56:25 Agreement [2] - 2:12, 2:13 agreement [48] - 20:3, 22:8, 27:4, 27:18, 28:9, 29:4, 29:21, 34:24, 36:7, 37:13, 38:22, 59:5, 59:8, 59:20, 60:1, 60:4, 60:7, 61:11, 62:16, 62:17, 63:6, 64:13, 65:3, 67:3, 67:12, 67:25, 68:14, 68:15, 68:24, 69:8, 73:8, 73:12, 73:13, 73:16, 74:16, 76:13, 76:15, 77:10, 77:14, 78:11, 78:14, 78:25, 79:2, 81:9, 81:15, 81:19, 82:2, 83:1 agreements [11] - 18:17, 20:22, 23:3, 24:16, 36:5, 37:20, 39:8, 58:14, 66:24, 68:20, 80:17 ahead [2] - 20:11, 66:10 Air [1] - 41:4 air [1] - 50:4 Alexandria [1] - 1:24 allegations [7] - 49:4, 49:10, 62:4, 62:5, 62:9, 62:14, 62:18 alluded [2] - 63:24, 76:10 Alt [2] - 17:22, 76:11 amendments [3] - 81:14, 81:17, 82:1 amount [2] - 26:10, 61:25	Angeles [2] - 17:24, 33:1 annuity [2] - 16:13, 16:24 answer [11] - 5:11, 5:16, 6:2, 6:4, 14:14, 21:9, 35:12, 35:25, 37:15, 75:19, 79:7 answered [1] - 35:25 answering [1] - 73:14 anticipated [2] - 50:8, 57:21 anyway [5] - 4:4, 44:20, 68:12, 72:24, 79:7 apologies [1] - 78:6 APPEARANCES [1] - 1:19 appreciate [2] - 83:11, 84:5 approached [2] - 66:1, 66:17 approximating [1] - 82:20 arbitration [1] - 52:21 area [87] - 10:17, 11:21, 12:1, 12:24, 16:7, 16:20, 17:9, 17:11, 17:17, 17:24, 19:7, 20:7, 22:8, 24:16, 24:24, 28:9, 29:3, 29:16, 29:19, 29:20, 29:24, 30:7, 30:18, 32:5, 32:11, 32:12, 33:21, 34:10, 37:13, 37:24, 38:9, 38:20, 38:22, 39:7, 39:24, 42:16, 50:7, 50:12, 50:15, 57:24, 58:1, 58:11, 59:20, 60:9, 60:10, 60:13, 61:11, 62:16, 63:5, 63:25, 64:3, 65:3, 65:22, 66:2, 66:18, 66:19, 66:24, 67:12, 67:24, 69:1, 69:6, 69:10, 70:19, 74:16, 75:4, 76:1, 76:4, 76:8, 76:15, 77:9, 77:13, 78:10, 78:13, 78:18, 78:23, 78:25, 79:2, 80:2, 80:8, 80:16, 80:21, 81:8, 81:14, 81:19, 82:2, 83:1 Area [2] - 2:12, 2:13 aspect [2] - 59:9, 82:22 aspirational [2] - 19:22, 70:10 assistant [4] - 7:13, 65:18, 66:25, 67:7 associated [4] - 12:13, 51:2, 59:7, 65:2 Association [1] - 8:17 assuage [1] - 28:20 assume [1] - 6:4 assumption [2] - 62:11, 62:17 assumptions [1] - 53:12 attorneys [1] - 56:5 August [1] - 1:16 authority [2] - 32:11, 67:11 autonomy [1] - 10:11 Avenue [2] - 1:16, 1:20 aware [3] - 71:18, 81:13, 81:17 awesome [1] - 82:6
\$350,000 [1] - 17:25 \$650,000 [1] - 18:11	3		
'	3 [11] - 2:5, 2:13, 24:1, 24:2, 24:10, 24:14, 27:2, 35:11, 36:1, 78:5, 78:6 30 [1] - 85:22 320348 [1] - 85:25 33 [1] - 27:12 330 [1] - 17:25 340 [2] - 1:16, 1:20 350 [1] - 17:24	4	
'05 [1] - 23:9 '14 [1] - 23:6 '17 [2] - 79:15, 79:16 '19 [4] - 31:16, 32:18, 80:19, 82:15 '20 [1] - 45:17 '21 [1] - 45:20 '22 [1] - 45:20 '80 [1] - 4:2 '85 [1] - 4:2 '86 [1] - 4:2 '92 [2] - 6:23, 48:1 '93 [3] - 6:24, 48:3, 48:4 '97 [1] - 6:24	4 [2] - 2:12, 78:4 4,000 [1] - 72:19 4,200 [1] - 72:18 4.1 [7] - 25:15, 27:17, 27:18, 28:1, 28:3, 72:3, 72:5 43 [1] - 2:5		
0	5		
06/01/05 [1] - 2:12	5,000 [2] - 10:14, 15:8 51 [1] - 25:15 520 [1] - 1:23 555 [2] - 1:15, 1:20	6	
1	6		
1 [5] - 2:4, 2:12, 4:13, 4:15, 22:17 10,000 [1] - 15:8 11/18/14 [1] - 2:13 1101 [1] - 1:23 11:44 [1] - 1:17 13 [1] - 27:3 180-day [1] - 71:5 1992 [1] - 47:24 1:17 [1] - 84:8	61 [1] - 25:8 62 [4] - 25:6, 25:8, 69:9, 73:4	8	
2	8 [1] - 1:16	A	
2 [8] - 2:12, 23:19, 23:21, 24:10, 24:14, 24:17, 25:3, 68:14 20 [1] - 22:25 200 [1] - 72:20 2000 [13] - 7:7, 8:19, 19:8, 29:25, 31:14, 31:16, 45:17, 45:18, 65:16, 65:17, 65:24, 66:4, 66:6 2001 [8] - 10:2, 66:1, 66:4, 66:5, 66:7, 66:11, 72:18 2001-ish [1] - 7:20 2002 [2] - 10:2, 66:1 2003 [6] - 29:25, 58:2, 58:7, 59:5, 59:6 2005 [6] - 23:6, 68:2, 68:13, 69:8, 82:23, 83:1 2012 [6] - 11:9, 19:8, 34:21, 43:18, 72:18, 77:6	a.m [1] - 1:17 ability [2] - 68:25, 85:15 above-entitled [1] - 1:13 absolutely [4] - 15:4, 50:22, 57:4, 65:5 accountable [1] - 72:14 accurate [1] - 14:25 achieve [1] - 71:9 achieving [1] - 72:15		

B			
<p>balance [3] - 40:11, 72:12, 72:13</p> <p>based [5] - 11:18, 12:10, 15:11, 67:14, 74:16</p> <p>basis [3] - 29:6, 29:7, 35:23</p> <p>Bates [1] - 25:15</p> <p>Baumgartner [1] - 10:20</p> <p>Bayless [7] - 6:17, 24:18, 24:19, 24:21, 34:5, 34:10, 83:5</p> <p>Beach [3] - 18:9, 43:12, 43:16</p> <p>BEACH [1] - 85:4</p> <p>beat [1] - 83:17</p> <p>became [8] - 29:16, 40:9, 40:15, 47:24, 58:1, 58:4, 66:19, 79:17</p> <p>become [5] - 6:20, 29:18, 47:3, 57:24, 70:1</p> <p>begin [3] - 6:21, 45:8, 68:25</p> <p>beginning [4] - 13:11, 17:10, 19:4, 19:14</p> <p>behind [5] - 20:12, 21:11, 21:16, 73:20, 76:9</p> <p>Belaire [2] - 1:15, 1:20</p> <p>bemoaning [1] - 54:4</p> <p>best [5] - 55:5, 55:24, 63:15, 70:4, 85:15</p> <p>better [1] - 64:24</p> <p>between [10] - 15:8, 16:8, 41:23, 71:10, 72:12, 72:13, 78:10, 81:6, 82:8</p> <p>big [1] - 12:22</p> <p>bit [6] - 26:7, 27:4, 44:8, 57:13, 65:12, 76:12</p> <p>bitter [1] - 64:6</p> <p>blank [1] - 61:5</p> <p>board [7] - 20:11, 37:1, 37:16, 38:17, 41:10, 41:25, 44:17</p> <p>Bob [2] - 8:15, 9:3</p> <p>bones [1] - 49:3</p> <p>borders [1] - 12:5</p> <p>boss [2] - 47:19, 47:20</p> <p>bottom [1] - 3:19</p> <p>bought [7] - 29:23, 44:22, 44:23, 59:23, 59:24, 60:1, 76:13</p> <p>bow [1] - 21:5</p> <p>Brad [3] - 53:2, 53:6, 77:20</p> <p>brad [1] - 53:3</p> <p>Brands [13] - 45:7, 45:14, 45:15, 45:24, 45:25, 46:5, 46:6, 46:7, 46:8, 46:13, 46:15, 46:17, 47:4</p> <p>brands [1] - 44:14</p> <p>break [2] - 42:23, 43:1</p> <p>Brent [8] - 32:17, 33:4,</p>	<p>33:18, 63:18, 63:19, 80:19, 81:2, 82:15</p> <p>BRIAN [1] - 1:23</p> <p>bring [1] - 41:6</p> <p>bringing [2] - 16:7, 57:22</p> <p>Brisas [1] - 18:8</p> <p>brought [3] - 16:8, 41:9, 57:22</p> <p>Brunot [3] - 41:3, 41:15, 79:16</p> <p>Bryan [1] - 43:7</p> <p>bud [1] - 55:12</p> <p>Budka [5] - 58:22, 58:23, 58:24, 59:22</p> <p>build [5] - 16:12, 28:16, 63:14, 71:1, 71:2</p> <p>building [5] - 7:1, 7:16, 42:11, 70:18, 71:3</p> <p>built [3] - 64:2, 64:20, 71:3</p> <p>business [10] - 48:10, 51:6, 51:15, 57:21, 58:21, 61:7, 63:20, 64:5, 64:12, 82:23</p> <p>Business [1] - 59:2</p> <p>businesses [1] - 8:21</p> <p>butchering [1] - 52:16</p> <p>buy [5] - 18:10, 20:24, 21:17, 25:25, 28:18</p> <p>buying [3] - 73:24, 75:9, 75:13</p> <p>BY [49] - 1:20, 1:23, 3:7, 4:18, 9:20, 14:12, 16:17, 17:5, 17:15, 20:5, 21:1, 22:1, 24:12, 26:24, 29:1, 29:12, 30:24, 31:5, 33:7, 34:1, 34:13, 35:17, 36:18, 37:10, 37:22, 38:7, 38:19, 39:5, 39:14, 39:21, 40:4, 40:24, 43:5, 49:1, 50:6, 51:13, 53:24, 55:9, 61:15, 63:3, 64:17, 69:4, 73:1, 74:3, 74:24, 75:12, 76:22, 77:4, 78:1</p>	<p>CEO [6] - 45:7, 45:23, 46:14, 47:13, 79:16, 79:18</p> <p>certain [1] - 11:24</p> <p>certainty [5] - 60:16, 60:19, 81:16, 81:20, 82:3</p> <p>CERTIFICATE [1] - 85:1</p> <p>certify [3] - 85:7, 85:13, 85:16</p> <p>CFO [2] - 10:21, 41:11</p> <p>chain [1] - 30:20</p> <p>challenge [3] - 8:2, 44:10, 44:11</p> <p>chance [1] - 83:18</p> <p>change [3] - 44:7, 78:10, 78:15</p> <p>changed [4] - 78:18, 79:19, 79:20, 79:21</p> <p>changes [1] - 80:16</p> <p>changing [1] - 79:5</p> <p>characterize [1] - 54:23</p> <p>charged [4] - 10:18, 10:22, 11:1, 13:24</p> <p>charges [1] - 41:7</p> <p>charging [5] - 10:13, 31:20, 33:19, 33:22, 82:17</p> <p>Chesapeake [2] - 1:16, 1:21</p> <p>Chicago [1] - 12:3</p> <p>Chris [1] - 22:13</p> <p>CHRISTOPHER [1] - 1:20</p> <p>Christopher [2] - 52:5, 52:6</p> <p>circumstances [1] - 43:22</p> <p>CITY [1] - 85:4</p> <p>claimed [3] - 61:17, 62:15, 63:5</p> <p>clarification [1] - 77:15</p> <p>clause [1] - 68:13</p> <p>clear [7] - 6:15, 13:6, 40:9, 53:8, 60:12, 78:17, 80:20</p> <p>client [1] - 45:2</p> <p>clients [1] - 45:2</p> <p>closer [1] - 11:8</p> <p>clothing [1] - 18:3</p> <p>coast [1] - 79:12</p> <p>collaborating [1] - 8:13</p> <p>collaboration [1] - 10:20</p> <p>collapse [2] - 12:25, 70:21</p> <p>colonel [1] - 41:4</p> <p>coming [2] - 8:23, 56:21</p> <p>commencing [1] - 1:17</p> <p>commission [1] - 85:22</p> <p>commit [1] - 7:4</p> <p>common [2] - 39:18</p> <p>Commonwealth [1] - 1:14</p> <p>COMMONWEALTH [1] - 85:3</p> <p>companies [2] - 46:1, 46:2</p> <p>company [15] - 8:1, 44:13, 44:18, 46:12, 46:18, 47:7, 63:12, 63:14, 64:2, 64:3, 70:20, 71:1, 71:2, 71:12,</p>	<p>78:8</p> <p>complainer [1] - 54:14</p> <p>complaining [3] - 54:9, 54:12, 54:13</p> <p>complaints [1] - 54:24</p> <p>compliance [1] - 81:18</p> <p>computer [1] - 85:12</p> <p>concerned [1] - 18:4</p> <p>concerns [1] - 28:20</p> <p>concluded [1] - 84:7</p> <p>conditioning [1] - 50:4</p> <p>confusion [1] - 65:25</p> <p>conscious [1] - 71:20</p> <p>consider [1] - 48:8</p> <p>consideration [2] - 15:25, 17:16</p> <p>considered [1] - 15:17</p> <p>consultant [1] - 8:16</p> <p>contained [2] - 67:11, 67:16</p> <p>contemplated [2] - 83:2, 83:3</p> <p>context [1] - 33:11</p> <p>continue [1] - 14:17</p> <p>contract [13] - 44:20, 58:2, 59:10, 60:13, 60:16, 60:17, 60:22, 68:25, 70:11, 70:23, 70:25, 71:22, 73:3</p> <p>contractual [3] - 73:5, 73:11, 73:15</p> <p>controlled [1] - 12:8</p> <p>controlling [1] - 11:25</p> <p>conversation [6] - 43:11, 51:25, 54:1, 54:3, 54:8, 70:7</p> <p>conversations [9] - 21:15, 50:23, 51:6, 51:14, 71:19, 72:9, 72:10, 72:11, 80:15</p> <p>COO [1] - 18:2</p> <p>coordinate [1] - 58:10</p> <p>copies [2] - 22:18, 22:19</p> <p>coplaintiffs [1] - 57:21</p> <p>copy [4] - 22:13, 23:14, 23:19, 23:23</p> <p>corporate [4] - 10:8, 17:1, 32:1, 42:5</p> <p>correct [30] - 6:18, 6:19, 12:10, 13:9, 14:7, 15:1, 15:12, 18:13, 19:16, 31:22, 32:7, 36:4, 43:13, 43:19, 45:18, 46:16, 49:21, 61:8, 61:9, 61:11, 65:15, 65:20, 65:23, 68:6, 68:8, 79:23, 81:9, 81:11, 81:12, 85:14</p> <p>correctly [1] - 34:16</p> <p>counsel [2] - 9:10, 85:16</p> <p>county [1] - 85:7</p> <p>couple [2] - 5:3, 32:22</p> <p>course [2] - 64:15, 80:12</p> <p>court [2] - 3:20, 5:5</p> <p>COURT [9] - 1:1, 9:13, 9:17,</p>
	C		
	<p>calculate [1] - 14:5</p> <p>California [2] - 12:21, 12:22</p> <p>cannot [5] - 38:4, 56:17, 56:20, 60:15</p> <p>capitalist [1] - 44:17</p> <p>captain [2] - 41:5, 41:6</p> <p>careful [1] - 50:18</p> <p>Carl [2] - 9:10, 9:13</p> <p>Case [1] - 1:7</p> <p>case [11] - 21:16, 27:17, 41:12, 51:23, 62:4, 62:6, 62:7, 62:14, 69:1, 83:25, 84:1</p> <p>caused [1] - 41:1</p> <p>central [1] - 29:24</p>		

<p>49:19, 49:24, 50:3, 50:14, 54:21, 85:1 Court [1] - 85:24 COVID [1] - 31:14 crash [1] - 3:19 create [4] - 8:14, 9:22, 11:15, 19:11 created [5] - 8:9, 8:10, 8:12, 8:24, 15:21 creates [3] - 71:6, 71:9, 71:10 creating [4] - 15:24, 66:18, 69:12, 70:17 culture [12] - 42:3, 70:13, 70:17, 71:2, 71:3, 71:4, 71:6, 71:9, 71:10, 71:16, 73:18, 73:19 customer [1] - 31:21 cut [1] - 15:20</p>	<p>debates [1] - 71:19 decision [4] - 64:12, 64:18, 71:20, 73:2 decisions [3] - 9:4, 80:16, 81:7 decline [1] - 21:22 declined [1] - 30:11 Defendant [1] - 1:9 DEFENDANT [1] - 1:22 definitely [1] - 79:23 delete [5] - 25:25, 26:9, 26:16, 28:13, 28:17 deleted [1] - 21:6 deleting [1] - 29:7 deletion [2] - 27:24, 35:5 delivery [1] - 44:21 demonstration [1] - 67:20 department [1] - 11:14 deposed [8] - 3:9, 3:11, 3:21, 48:17, 48:18, 49:14, 62:8 deposition [5] - 1:12, 55:13, 83:5, 83:24, 84:7 depositions [1] - 64:10 describe [1] - 19:24 designated [1] - 11:21 designed [1] - 17:10 despite [1] - 75:7 determine [1] - 10:4 determined [1] - 11:18 determining [1] - 14:19 develop [1] - 19:21 Developer [2] - 2:12, 2:13 developer [50] - 17:11, 17:17, 22:8, 24:16, 24:24, 25:20, 28:9, 29:4, 29:16, 29:19, 30:8, 32:5, 34:10, 37:13, 37:24, 50:13, 50:15, 57:24, 58:1, 58:11, 59:20, 60:9, 60:14, 62:16, 62:17, 63:6, 65:3, 65:22, 66:2, 66:24, 67:12, 67:24, 69:2, 69:6, 69:10, 74:16, 76:8, 76:15, 77:10, 77:13, 78:10, 78:13, 78:25, 79:2, 80:16, 81:8, 81:15, 81:19, 82:2, 83:1 developers [22] - 16:7, 16:20, 30:19, 32:11, 32:12, 38:9, 38:20, 38:22, 39:7, 39:24, 42:17, 50:8, 63:25, 64:3, 70:19, 75:5, 76:1, 76:5, 78:18, 80:2, 80:8, 80:21 developers' [1] - 33:21 development [41] - 7:12, 7:13, 7:23, 8:3, 17:9, 18:19, 18:24, 19:2, 19:7, 19:13, 19:16, 19:21, 20:7, 20:9, 20:14, 20:19, 20:23, 21:12, 21:14, 21:21, 22:5,</p>	<p>25:9, 25:11, 25:24, 26:8, 26:15, 27:14, 28:12, 29:5, 29:24, 60:11, 61:11, 65:19, 66:17, 66:18, 66:20, 69:7, 69:17, 69:20, 71:7, 78:23 Development [2] - 67:24, 77:16 DEVELOPMENT [1] - 1:4 differences [1] - 46:4 different [8] - 22:6, 46:1, 46:2, 46:11, 53:14, 53:15, 71:23, 79:2 differently [3] - 18:18, 35:22, 41:22 dinner [4] - 41:16, 42:2, 79:8, 79:10 dinnertime [1] - 41:23 directly [1] - 32:6 dirty [1] - 41:6 disagreed [1] - 64:11 disclosure [3] - 67:2, 68:10, 68:18 discuss [2] - 49:3, 49:9 discussed [1] - 68:11 discussion [1] - 82:7 discussions [1] - 81:4 dispute [2] - 6:16, 6:17 disputes [1] - 3:15 DISTRICT [2] - 1:1, 1:1 DIVISION [1] - 1:2 DMA [6] - 11:11, 11:13, 11:20, 12:2, 12:3 DMAs [2] - 11:25, 12:2 document [10] - 26:25, 46:23, 67:2, 68:10, 68:19, 70:14, 70:16, 79:19, 79:20, 79:21 documents [4] - 24:13, 27:3, 36:22, 36:24 Don [1] - 59:22 done [2] - 38:2, 64:23 Donovan [2] - 41:11, 41:24 double [1] - 18:14 Doug [5] - 17:20, 17:22, 18:1, 76:11 down [6] - 5:6, 10:15, 10:24, 10:25, 49:22, 57:7 drafted [2] - 35:2, 66:25 drafting [2] - 66:24, 67:4 dream [1] - 19:23 drive [2] - 12:24, 70:20 Drive [1] - 43:15 dry [1] - 15:20 duly [2] - 3:2, 85:10 dumb [1] - 57:7 Dunn [1] - 32:20 during [12] - 3:20, 21:19, 26:13, 29:3, 30:15, 38:21, 40:8, 42:2, 71:19, 72:17, 78:23, 81:13</p>	<p>duties [1] - 30:15</p> <hr/> <p style="text-align: center;">E</p> <hr/> <p>E-file [7] - 31:21, 31:25, 32:13, 33:5, 33:20, 33:22, 82:17 E-filing [5] - 82:7, 82:8, 82:10, 82:22, 83:1 e-mail [1] - 8:23 early [3] - 13:2, 17:23, 29:25 EASTERN [1] - 1:1 Ed [3] - 41:3, 41:15, 79:16 either [6] - 8:9, 12:5, 31:16, 32:5, 41:24, 85:17 elaborate [3] - 6:10, 44:8, 48:16 elaborating [1] - 72:6 Elsa [1] - 32:25 employed [1] - 47:15 employee [1] - 60:23 employment [2] - 43:23, 65:12 end [12] - 7:15, 11:7, 18:17, 18:21, 25:4, 25:6, 27:6, 27:22, 43:23, 59:19, 64:10, 69:1 ended [2] - 4:4, 31:8 entirety [1] - 47:13 entitled [3] - 1:13, 57:18, 61:25 entity [2] - 32:6, 58:24 entrepreneurs [1] - 46:9 escalated [1] - 10:16 ESQUIRE [2] - 1:20, 1:23 estate [1] - 58:5 event [1] - 85:17 events [1] - 30:20 eventually [2] - 44:22, 44:23 evidence [2] - 40:25, 42:14 evident [1] - 40:9 exact [4] - 30:5, 40:7, 43:14, 47:7 exactly [2] - 35:19, 60:2 Examination [2] - 2:5, 2:5 EXAMINATION [2] - 3:5, 43:3 excluding [2] - 50:9, 51:14 excuse [2] - 72:18, 80:21 Exhibit [8] - 4:13, 4:15, 23:21, 24:2, 25:3, 27:2, 35:11, 36:1 EXHIBITS [1] - 2:11 existence [1] - 65:21 existing [2] - 10:18, 10:23 exit [1] - 21:17 expansion [1] - 30:5 expectation [2] - 39:8, 39:15 expendable [1] - 41:8 expense [1] - 40:14</p>
D			
<p>d/b/a [1] - 1:8 dad [2] - 3:18, 41:4 Dallas [1] - 12:3 damages [1] - 61:16 Dan [2] - 32:23, 42:9 Dana [3] - 1:13, 85:6, 85:24 dated [2] - 2:12, 2:13 dates [1] - 40:7 David [6] - 6:18, 34:6, 34:10, 77:22, 77:23, 83:8 Davis [10] - 1:15, 1:19, 2:5, 50:24, 51:1, 51:15, 57:20, 70:7, 82:8, 83:19 DAVIS [74] - 1:20, 3:7, 4:18, 9:20, 14:12, 16:17, 17:5, 17:15, 20:5, 21:1, 22:1, 22:15, 22:18, 22:21, 22:24, 23:4, 23:7, 23:9, 23:12, 23:15, 23:17, 23:25, 24:4, 24:9, 24:12, 26:24, 29:1, 29:12, 30:24, 31:5, 33:7, 34:1, 34:13, 35:17, 36:18, 37:10, 37:22, 38:7, 38:19, 39:5, 39:14, 39:21, 40:4, 40:24, 42:21, 42:24, 48:22, 50:11, 50:16, 50:18, 51:5, 51:11, 52:10, 52:12, 52:14, 53:2, 53:4, 53:6, 53:14, 54:20, 61:13, 62:20, 64:14, 68:21, 71:24, 72:3, 73:9, 74:20, 75:9, 76:18, 76:25, 77:22, 83:21, 84:4 Davis' [1] - 57:20 deal [2] - 18:4, 58:16 dealing [1] - 41:21 deals [6] - 10:7, 13:1, 13:11, 13:17, 13:25, 14:3 dealt [1] - 73:19</p>			

<p>experience [2] - 20:6, 78:22 expired [1] - 7:3 expires [1] - 85:22 explain [1] - 46:4 explaining [1] - 55:3 express [2] - 49:16, 49:20 expressing [1] - 54:14 extent [1] - 46:20 extra [3] - 22:18, 23:25, 24:7 eyes [1] - 74:19</p>	<p>flew [1] - 3:19 Florida [1] - 29:24 folded [1] - 11:23 follow [2] - 27:3, 83:21 follow-up [1] - 83:21 following [1] - 74:21 follows [1] - 3:3 fond [1] - 63:13 food [1] - 44:21 FOR [2] - 1:19, 1:22 Force [1] - 41:4 foregoing [2] - 85:7, 85:12 forget [1] - 83:4 forgot [1] - 64:1 form [35] - 14:9, 16:3, 17:2, 17:12, 19:25, 20:16, 21:23, 26:18, 28:9, 28:23, 29:9, 30:13, 31:3, 32:14, 33:14, 34:8, 35:14, 36:14, 37:5, 38:3, 38:11, 38:25, 39:11, 39:25, 40:21, 48:22, 54:20, 61:13, 62:20, 64:14, 68:21, 73:9, 74:20, 76:18, 76:25 formal [1] - 38:24 former [1] - 59:22 formula [7] - 12:15, 12:16, 12:17, 14:4, 15:21, 58:14, 67:6 forth [1] - 85:9 forward [2] - 61:6, 71:12 foundation [20] - 14:10, 16:3, 17:2, 17:12, 19:25, 20:16, 26:18, 28:23, 29:9, 32:15, 33:14, 35:14, 36:15, 37:6, 38:3, 38:12, 39:1, 39:12, 40:1, 40:22 founder [1] - 6:22 four [3] - 24:9, 25:6 frame [1] - 11:23 frames [1] - 12:25 franchise [11] - 7:13, 8:3, 8:20, 44:21, 65:19, 66:16, 67:2, 68:10, 68:18, 68:24, 72:23 Franchise [1] - 8:17 franchisee [4] - 8:25, 69:1, 71:11, 82:16 franchisees [8] - 12:1, 30:17, 33:19, 33:22, 34:11, 34:15, 64:21, 80:20 franchisers [1] - 44:14 franchises [3] - 8:20, 46:10, 63:21 FranchiseThis [2] - 44:13, 44:25 franchising [2] - 53:13, 69:15 Franchising [7] - 45:7, 45:15, 45:25, 46:5, 46:7, 46:15, 47:4</p>	<p>franchisor [2] - 8:24, 71:11 franchisors [1] - 69:13 friend [2] - 48:8, 54:16 friendly [2] - 55:10, 55:11 friends [4] - 41:25, 51:21, 51:23, 55:10 front [1] - 24:14 function [1] - 7:10</p>	<p>30:2, 30:18, 55:10, 55:22</p>
F		G	
<p>fact [3] - 15:21, 60:18, 62:12 factor [4] - 14:6, 14:23, 15:2, 15:16 factors [1] - 15:17 failure [2] - 27:25, 74:17 fair [19] - 9:5, 19:19, 19:20, 47:17, 47:19, 61:24, 62:17, 64:11, 67:10, 69:6, 69:9, 74:5, 74:15, 77:8, 77:11, 77:12, 80:2, 82:19, 82:25 familiar [9] - 18:17, 31:21, 43:7, 62:3, 62:5, 62:9, 78:2, 81:3, 81:25 familiarity [1] - 32:4 fee [3] - 31:21, 65:2, 65:4 feelings [1] - 63:18 fees [11] - 31:25, 32:13, 33:5, 33:20, 33:23, 82:7, 82:8, 82:10, 82:17, 82:22, 83:1 few [6] - 13:11, 14:2, 35:13, 35:15, 42:9, 69:13 fifty [6] - 10:7, 10:8, 13:13, 13:17 fifty-fifty [1] - 13:17 fifty/fifty [1] - 14:24 fight [1] - 75:22 file [7] - 31:21, 31:25, 32:13, 33:5, 33:20, 33:22, 82:17 filing [5] - 82:7, 82:8, 82:10, 82:22, 83:1 filings [1] - 40:18 fine [2] - 75:16, 84:4 finish [3] - 5:18, 5:24, 49:5 fired [1] - 58:6 firm [1] - 51:2 first [18] - 3:2, 3:18, 3:22, 10:3, 10:6, 10:9, 24:17, 25:4, 28:5, 29:23, 43:21, 47:23, 56:11, 56:18, 57:23, 59:4, 69:24, 85:10 five [8] - 10:25, 11:6, 13:21, 13:22, 58:4, 62:2, 68:24 five-percent [1] - 62:2 five/thirty [1] - 13:21 flag [1] - 11:23 flash [1] - 61:6 flash-forward [1] - 61:6</p>	<p>Gappa [2] - 8:15, 9:3 Gary [1] - 44:16 general [3] - 39:7, 41:15, 51:20 generalization [1] - 52:2 generally [1] - 78:9 generals [1] - 49:12 geography [1] - 12:10 Given [1] - 85:20 given [2] - 23:12, 23:18 goal [7] - 19:23, 69:22, 69:23, 69:24, 69:25, 70:2, 71:9 goals [4] - 69:7, 70:3, 70:10, 72:14 God [2] - 33:2, 79:8 Goldman [1] - 44:16 goodness [1] - 3:24 Gordon [1] - 1:22 gosh [4] - 31:12, 45:9, 71:13, 79:11 grandkids [3] - 4:23, 82:5, 83:15 great [1] - 22:21 grew [4] - 64:21, 70:22, 72:18, 72:19 grill [1] - 47:1 grocery [2] - 52:24 gross [1] - 11:4 grossly [1] - 73:20 ground [1] - 5:3 Group [1] - 59:2 Groupon [2] - 44:23, 44:24 grow [7] - 7:25, 8:21, 12:24, 16:12, 16:15, 28:16, 44:14 growing [3] - 10:15, 18:5, 18:10 growth [2] - 72:16, 72:17 Grubhub [1] - 44:23 grudges [1] - 64:6 grunts [1] - 41:8 guess [16] - 24:9, 34:23, 35:22, 37:15, 44:3, 47:20, 51:5, 60:12, 60:17, 60:18, 61:22, 65:1, 66:13, 79:15, 82:14, 82:17 guy [2] - 18:3, 58:6 Guys [1] - 64:1 guys [7] - 18:6, 18:9, 28:16,</p>	<p>H</p> <p>Haddad [1] - 50:16 hand [3] - 23:24, 24:23, 85:20 handed [1] - 16:10 handled [1] - 64:24 hands [1] - 79:4 handshake [2] - 70:15, 73:8 hard [1] - 38:14 head [1] - 65:6 heals [1] - 4:5 HEALY [73] - 1:23, 14:9, 16:3, 17:2, 17:12, 19:25, 20:16, 21:23, 22:13, 22:16, 22:19, 22:22, 23:2, 23:6, 23:8, 23:14, 23:16, 23:23, 24:8, 26:18, 28:23, 29:9, 30:13, 31:3, 32:14, 33:14, 34:8, 35:14, 36:14, 37:5, 37:14, 38:3, 38:11, 38:25, 39:11, 39:16, 39:25, 40:21, 42:23, 43:5, 49:1, 49:21, 50:1, 50:6, 50:22, 51:1, 51:10, 51:13, 52:16, 53:7, 53:10, 53:17, 53:20, 53:24, 54:23, 55:9, 61:15, 63:3, 64:17, 69:4, 72:2, 72:5, 73:1, 74:3, 74:24, 75:12, 76:22, 77:4, 78:1, 83:10, 83:14, 83:18, 84:5 Healy [3] - 2:5, 5:14, 43:8 heavy [1] - 38:15 help [10] - 7:11, 7:25, 12:24, 16:12, 33:21, 44:21, 71:8, 82:16 helped [6] - 19:10, 44:14, 63:14, 64:2, 70:20, 70:21 helpful [1] - 5:18 helping [1] - 28:16 hereby [1] - 85:7 herein [1] - 85:9 herein-before [1] - 85:9 Hewitt [22] - 4:6, 6:22, 6:23, 7:22, 7:25, 8:9, 8:13, 9:6, 9:16, 10:4, 12:21, 15:25, 16:5, 17:6, 39:17, 43:24, 46:18, 47:6, 47:24, 66:1, 67:10, 67:16 higher [1] - 10:10 highest [1] - 12:19 hike [1] - 54:6 hill [1] - 41:7 hired [1] - 47:17 hit [1] - 80:24 hold [2] - 50:12, 64:6 holding [1] - 72:13 home [1] - 32:18</p>	

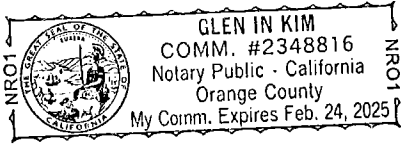
<p>honestly [2] - 60:24, 61:18 hope [3] - 19:23, 55:5, 83:16 hopefully [2] - 4:24, 82:4 horrible [1] - 4:3 hour [1] - 1:17 Houston [1] - 12:3 hundred [1] - 30:6</p>	<p>investigation [1] - 8:5 involved [13] - 11:19, 47:3, 47:24, 50:9, 53:13, 57:14, 60:6, 67:23, 73:17, 74:7, 74:8, 81:10 involvement [4] - 58:11, 77:9, 77:13, 77:24 issue [1] - 79:17 issued [1] - 4:19 iterations [1] - 36:7</p>	<p style="text-align: center;">L</p> <p>L.A [1] - 12:2 Laguna [1] - 18:9 Large [1] - 1:15 larger [1] - 12:2 largest [1] - 34:15 Las [1] - 18:8 last [11] - 27:7, 27:10, 28:1, 33:2, 33:3, 41:14, 52:8, 52:19, 59:10, 59:15, 63:21 late [2] - 29:25, 83:14 latitude [1] - 69:17 law [1] - 38:16 Law [2] - 1:15, 1:19 lawsuit [9] - 48:14, 50:24, 51:8, 51:9, 61:17, 62:1, 62:19, 63:4 lawyer [2] - 9:15, 70:24 lawyers [2] - 64:10, 79:4 least [4] - 3:12, 10:25, 62:14, 64:12 leave [2] - 49:7, 66:6 left [12] - 11:8, 16:9, 19:10, 32:1, 34:21, 35:2, 35:7, 35:11, 36:2, 40:8, 44:15, 82:12 legal [3] - 67:8, 70:14, 70:16 less [3] - 13:24, 54:7, 57:8 letter [1] - 38:16 LIBERTY [5] - 1:8, 25:5, 27:3, 69:9, 73:4 Liberty [78] - 3:14, 4:9, 5:14, 6:16, 6:21, 7:1, 7:8, 7:9, 9:4, 11:14, 13:8, 14:19, 17:1, 17:3, 20:14, 21:20, 21:21, 22:3, 22:4, 25:20, 25:25, 26:9, 26:16, 29:2, 30:7, 30:10, 31:1, 31:6, 32:1, 32:11, 35:24, 36:12, 36:21, 37:3, 37:12, 37:25, 38:9, 38:10, 38:20, 38:23, 39:23, 41:1, 43:18, 43:21, 43:23, 44:7, 44:17, 47:6, 50:9, 50:10, 51:16, 55:18, 56:8, 57:17, 58:8, 60:22, 61:8, 62:19, 63:4, 63:11, 63:14, 63:17, 63:18, 65:12, 65:16, 66:12, 66:14, 69:24, 71:20, 76:2, 76:14, 77:6, 80:2, 80:7, 80:15, 81:6, 81:13, 82:9 Liberty's [9] - 21:19, 26:13, 27:24, 32:10, 40:17, 54:9, 62:15, 64:12, 82:23 LIBERTY-ROADKING [4] - 25:5, 27:3, 69:9, 73:4 life [3] - 64:5, 64:9, 79:9 likewise [2] - 75:24, 84:6 line [1] - 66:19</p>	<p>lines [1] - 66:22 lining [1] - 42:20 list [4] - 32:24, 80:23, 80:24 listening [3] - 54:5, 54:16, 55:3 lists [1] - 19:20 litigation [8] - 43:10, 49:17, 50:8, 51:16, 56:7, 57:14, 57:22 lives [2] - 41:18, 41:21 LLC [4] - 1:5, 1:8, 43:8, 77:19 LLP [1] - 1:22 locations [1] - 72:19 log [1] - 30:14 look [17] - 11:10, 11:13, 22:9, 22:10, 25:3, 25:4, 25:13, 25:15, 26:25, 27:6, 27:18, 62:22, 62:24, 74:8, 84:2 Look [1] - 18:6 looked [1] - 34:25 looking [3] - 12:23, 44:18, 73:3 looks [1] - 27:16 loosely [2] - 38:10, 38:14 Los [2] - 17:24, 33:1 lose [1] - 17:17 louder [1] - 42:18 lowered [2] - 10:10, 10:24 Loyalty [13] - 45:7, 45:14, 45:15, 45:24, 45:25, 46:5, 46:7, 46:8, 46:13, 46:14, 46:17, 47:3</p>
<p style="text-align: center;">I</p>	<p style="text-align: center;">J</p>	<p style="text-align: center;">M</p>	
<p>ibra [1] - 32:25 identification [3] - 4:16, 23:22, 24:3 IFA [1] - 8:17 ill [1] - 63:18 impact [1] - 41:18 important [3] - 71:1, 73:19, 75:17 improved [1] - 76:12 inaudible [2] - 9:11, 54:19 inaudible [1] - 50:13 INC [1] - 1:4 Inc [1] - 77:16 Inc.'s [1] - 67:24 inception [2] - 17:8, 66:2 include [2] - 71:21, 73:4 included [2] - 68:17, 68:19 inclusion [1] - 78:3 income [1] - 63:17 incorporated [1] - 72:6 indicates [1] - 22:9 initial [4] - 24:24, 65:2, 65:4, 78:25 input [1] - 67:15 inroads [1] - 12:22 inserted [8] - 27:23, 28:9, 28:10, 35:7, 35:10, 35:12, 35:13, 35:24 insertion [1] - 35:5 instance [3] - 17:19, 20:20, 38:5 instances [1] - 37:23 instead [2] - 29:6, 76:14 instill [1] - 71:23 instituted [1] - 82:9 intended [1] - 80:8 intent [4] - 29:2, 36:9, 37:4, 37:25 intention [1] - 80:11 intentions [1] - 63:15 interested [2] - 8:3, 85:17 interesting [1] - 18:1 internal [3] - 71:19, 80:15, 81:3 International [1] - 8:17 internet [1] - 8:23 interrupt [2] - 45:12, 81:23 interstates [1] - 12:5 introduction [1] - 31:25</p>	<p>Jackson [7] - 4:6, 6:23, 7:25, 9:15, 12:21, 47:6, 47:24 jeez [1] - 47:22 Jerry [6] - 6:17, 24:18, 24:21, 34:5, 34:10, 83:5 job [4] - 7:9, 16:14, 18:2, 43:21 John [20] - 6:22, 8:13, 40:8, 42:4, 46:18, 47:5, 47:17, 47:19, 47:20, 47:24, 48:6, 48:8, 48:12, 48:14, 49:4, 49:10, 58:13, 66:17, 67:9, 69:23 JOHNSON [4] - 1:12, 2:4, 2:11, 3:1 Johnson [17] - 3:8, 4:15, 22:17, 23:19, 23:21, 24:2, 24:13, 24:14, 24:17, 43:6, 68:14, 78:4, 78:5, 78:6, 84:7 journal [3] - 61:2, 61:3, 61:4 JTH [2] - 1:8, 43:8 judgment [2] - 61:25, 74:9</p>	<p>M&M [1] - 58:25 M-U-F-E-E-D [2] - 50:17 mail [1] - 8:23 majority [2] - 16:9, 51:24 mandate [1] - 41:10 Manny [4] - 17:20, 17:23, 18:1, 76:11 Mansukhani [1] - 1:22 mantra [1] - 69:25 map [2] - 11:21 mapping [1] - 11:14 Maquida [1] - 59:22 March [3] - 65:17, 66:4, 66:6 mark [7] - 4:13, 22:16, 23:9, 23:10, 23:18, 24:1, 24:10 Mark [3] - 10:20, 33:1, 84:7 MARK [3] - 1:12, 2:4, 3:1 marked [4] - 4:15, 23:21, 24:2, 68:14 market [1] - 29:8 marking [1] - 11:21 Marrero [3] - 17:20, 17:23, 76:11 Mary [2] - 40:15, 41:16 master [1] - 8:20</p>	
<p style="text-align: center;">K</p>	<p>Kathy [2] - 41:10, 41:24 keep [4] - 4:24, 23:13, 24:5, 79:4 Khalil [2] - 9:10, 9:14 kick [1] - 15:22 killed [1] - 3:18 killer [1] - 71:16 kind [6] - 10:20, 13:12, 21:5, 28:15, 41:16, 56:21 King [9] - 1:23, 6:17, 23:3, 24:17, 25:1, 34:6, 67:24, 77:15, 77:16 KING [1] - 1:4 King's [8] - 62:16, 62:25, 77:9, 81:8, 81:14, 81:19, 82:2, 83:1 knowledge [7] - 32:9, 34:4, 34:9, 34:19, 39:19, 56:17, 81:7 known [1] - 48:6</p>		

<p>master-type [1] - 8:20 material [1] - 79:19 matter [2] - 36:13, 67:4 mean [37] - 15:20, 17:19, 21:25, 26:19, 26:20, 31:23, 36:20, 45:1, 45:12, 45:21, 46:22, 47:5, 48:17, 49:5, 51:9, 51:20, 51:21, 54:25, 58:12, 58:13, 60:12, 64:8, 66:4, 67:1, 67:13, 67:19, 68:7, 69:25, 70:13, 77:15, 77:18, 79:6, 80:19, 80:21, 81:22 meaning [4] - 15:7, 16:18, 30:25, 40:17 means [1] - 6:5 meat [1] - 49:3 meet [11] - 20:8, 20:14, 20:22, 22:4, 25:21, 25:24, 27:25, 28:22, 44:19, 71:7, 74:17 meeting [20] - 20:18, 21:21, 26:8, 26:14, 28:12, 29:4, 32:16, 33:4, 33:23, 34:2, 41:13, 41:14, 41:15, 41:20, 69:20, 75:7, 80:11, 80:18, 80:22, 82:14 memories [1] - 63:13 memory [10] - 10:13, 13:14, 13:16, 18:13, 21:13, 31:9, 31:10, 33:16, 34:16, 57:25 mentioned [1] - 79:8 mentor [1] - 48:10 message [1] - 30:18 messaging [1] - 41:17 met [8] - 18:5, 18:8, 43:6, 47:8, 47:23, 76:9, 76:11 Michael [2] - 58:22, 58:23 might [9] - 5:15, 14:13, 15:7, 48:4, 65:24, 67:15, 78:10, 78:15, 79:1 Mike [2] - 58:23, 59:22 million [1] - 61:23 mind [4] - 26:3, 42:23, 42:25, 76:16 mindful [2] - 54:18, 54:22 mingle [2] - 42:4, 42:6 mingled [1] - 42:4 Minimum [4] - 18:21, 25:7, 27:7, 27:19 minimum [7] - 25:21, 26:9, 27:25, 72:2, 74:17, 75:7, 81:18 minute [3] - 15:19, 25:23, 50:11 mischaracterizing [1] - 79:24 missing [1] - 4:23 moment [2] - 71:12, 71:13 Monday [1] - 5:1</p>	<p>monetary [1] - 61:16 Mossimo [1] - 18:3 most [1] - 10:7 move [1] - 43:25 moved [5] - 13:4, 40:12, 40:13, 40:14, 48:2 moving [1] - 34:21 MR [145] - 3:7, 4:18, 9:20, 14:9, 14:12, 16:3, 16:17, 17:2, 17:5, 17:12, 17:15, 19:25, 20:5, 20:16, 21:1, 21:23, 22:1, 22:13, 22:15, 22:16, 22:18, 22:19, 22:21, 22:22, 22:24, 23:2, 23:4, 23:6, 23:7, 23:8, 23:9, 23:12, 23:14, 23:15, 23:16, 23:17, 23:23, 23:25, 24:4, 24:8, 24:9, 24:12, 26:18, 26:24, 28:23, 29:1, 29:9, 29:12, 30:13, 30:24, 31:3, 31:5, 32:14, 33:7, 33:14, 34:1, 34:8, 34:13, 35:14, 35:17, 36:14, 36:18, 37:5, 37:10, 37:14, 37:22, 38:3, 38:7, 38:11, 38:19, 38:25, 39:5, 39:11, 39:14, 39:16, 39:21, 39:25, 40:4, 40:21, 40:24, 42:21, 42:23, 42:24, 43:5, 48:22, 49:1, 49:21, 50:1, 50:6, 50:11, 50:16, 50:18, 50:22, 51:1, 51:5, 51:10, 51:11, 51:13, 52:10, 52:12, 52:14, 52:16, 53:2, 53:4, 53:6, 53:7, 53:10, 53:14, 53:17, 53:20, 53:24, 54:20, 54:23, 55:9, 61:13, 61:15, 62:20, 63:3, 64:14, 64:17, 68:21, 69:4, 71:24, 72:2, 72:3, 72:5, 73:1, 73:9, 74:3, 74:20, 74:24, 75:9, 75:12, 76:18, 76:22, 76:25, 77:4, 77:22, 78:1, 83:10, 83:14, 83:18, 83:21, 84:4, 84:5 Mufeed [1] - 50:16 multiple [6] - 10:18, 10:22, 10:24, 11:1, 15:10, 15:13 must [2] - 36:8, 37:4 mutual [2] - 43:25, 44:1</p>	<p>nearly [1] - 18:14 need [3] - 38:23, 44:18, 49:22 needed [2] - 44:7, 44:9 negotiation [2] - 67:23, 78:3 never [13] - 20:19, 21:11, 21:13, 21:24, 21:25, 30:21, 45:1, 69:19, 73:21, 73:24, 73:25, 74:1 new [2] - 60:1, 60:4 New [1] - 12:3 next [3] - 26:25, 44:10, 44:11 nobody [1] - 70:15 non [4] - 74:16, 74:18, 76:14, 81:8 non-renewed [1] - 76:14 non-renewing [3] - 74:16, 74:18, 81:8 noncompete [1] - 7:2 NORFOLK [1] - 1:2 normalize [1] - 13:12 Notary [3] - 1:14, 85:6, 85:25 notes [2] - 47:23, 85:14 nothing [4] - 63:15, 77:24, 85:11 notice [13] - 7:15, 30:21, 31:1, 36:9, 36:21, 36:25, 37:4, 37:12, 37:17, 37:25, 38:24, 71:5, 82:1 notion [1] - 31:20 Number [4] - 4:15, 23:21, 24:2, 85:25 number [3] - 30:5, 69:24, 70:1 numbers [4] - 15:22, 34:18, 67:5, 67:7</p>	<p>9:14, 10:21, 11:22, 11:25, 12:19, 13:20, 14:6, 14:23, 16:4, 21:4, 21:6, 22:22, 23:1, 23:13, 23:19, 23:25, 24:1, 24:5, 24:7, 24:17, 24:18, 27:4, 27:6, 30:17, 31:19, 34:11, 34:15, 34:25, 41:7, 45:2, 47:9, 50:12, 55:20, 56:11, 56:19, 56:22, 61:19, 62:25, 64:20, 66:5, 67:13, 69:24, 70:1, 70:23, 70:24, 75:14 oOo [2] - 2:15, 84:10 operate [2] - 38:15, 63:24 operated [1] - 24:18 operation [1] - 44:25 operations [3] - 34:5, 34:18, 38:22 operator [1] - 18:2 opposed [1] - 73:5 oral [1] - 37:24 OrderUp [1] - 44:22 original [2] - 11:22, 78:10 originally [1] - 7:6 Orlando [1] - 48:3 outright [2] - 73:24, 73:25 oversaw [1] - 60:11 owed [1] - 26:10 own [5] - 12:12, 30:2, 30:3, 47:7, 80:24 owned [2] - 30:2, 46:18 owner [1] - 62:2 ownership [1] - 46:21</p>
	<p style="text-align: center;">N</p> <p>naive [1] - 63:23 name [6] - 25:1, 33:2, 33:3, 43:7, 52:17, 79:11 Nantucket [3] - 41:13, 79:13, 79:14 natural [1] - 12:5 naturally [1] - 12:5 near [1] - 25:4</p>	<p style="text-align: center;">O</p> <p>Oaks [1] - 42:9 object [14] - 5:15, 14:13, 31:3, 40:21, 48:22, 54:20, 61:13, 62:20, 64:14, 68:21, 73:9, 74:20, 76:18, 76:25 objecting [1] - 5:23 objection [11] - 14:9, 19:25, 30:13, 32:14, 33:17, 36:14, 37:5, 38:11, 38:25, 39:11, 39:25 objections [2] - 37:14, 39:16 obviously [5] - 4:5, 12:9, 13:24, 47:5, 82:12 October [3] - 45:16, 45:18 OF [3] - 1:1, 85:3, 85:4 offhand [1] - 46:22 office [2] - 32:18, 58:12 often [1] - 36:12 old [3] - 11:23, 30:22, 31:7 older [1] - 10:24 one [50] - 3:23, 4:6, 7:4, 9:11,</p>	<p style="text-align: center;">P</p> <p>p.m [1] - 84:8 PAGE [2] - 2:3, 2:11 page [3] - 27:7, 27:10, 53:25 pages [1] - 25:6 paid [13] - 17:24, 18:11, 18:14, 20:24, 21:7, 33:5, 33:9, 33:12, 33:13, 33:24, 65:4 paints [2] - 42:10 papers [1] - 58:19 paragraph [4] - 27:22, 28:2, 28:5, 72:7 paralegals [1] - 51:3 paraphrasing [1] - 22:9 part [9] - 19:3, 19:14, 34:23, 55:13, 56:18, 62:14, 70:13, 73:11, 73:13 particular [2] - 48:14, 62:7 parties [3] - 71:10, 73:17, 74:7 partly [1] - 46:19 partner [3] - 29:22, 32:7, 59:22 partners [6] - 51:7, 51:15,</p>

<p>57:21, 58:21, 59:23, 61:7 parts [1] - 70:3 party [2] - 60:13, 85:17 passion [1] - 74:13 passionate [1] - 74:12 pay [3] - 26:10, 26:17, 28:14 paying [1] - 29:8 payment [1] - 40:11 pending [4] - 50:8, 56:7, 57:14, 62:18 people [20] - 21:15, 32:21, 32:22, 32:24, 32:25, 36:20, 36:23, 36:25, 37:16, 37:17, 37:18, 42:1, 42:5, 42:9, 53:15, 63:16, 70:18, 73:20, 80:25 people's [3] - 41:18, 41:21, 69:17 per [2] - 11:6, 15:8 perceive [1] - 41:1 percent [9] - 10:8, 10:9, 12:20, 13:7, 13:8, 13:13, 58:5, 62:2 percentage [3] - 10:10, 10:15, 13:5 percentages [1] - 10:12 Perez [6] - 6:18, 34:6, 34:11, 77:22, 77:23, 83:8 performance [3] - 69:5, 69:10, 69:11 performing [1] - 76:8 perhaps [1] - 29:7 period [6] - 16:1, 30:2, 33:12, 47:15, 59:11, 72:17 perpetual [2] - 16:2, 17:10 perpetuity [9] - 16:6, 16:13, 16:23, 39:9, 59:18, 68:11, 68:15, 68:20, 68:23 personal [5] - 16:24, 34:4, 34:19, 64:13, 81:7 personally [3] - 60:6, 60:13, 61:6 perspective [1] - 16:25 Peter [12] - 52:7, 52:8, 52:9, 52:18, 52:19, 53:4, 53:10, 53:16, 55:1, 55:2, 55:4, 55:16 peter [1] - 53:17 philosophy [2] - 16:25 phone [1] - 32:25 phonetic [5] - 17:22, 33:1, 44:16, 59:23, 78:17 phonetic [2] - 17:20, 29:23 phrase [2] - 19:19, 70:5 phrased [1] - 18:18 picking [1] - 53:13 picture [1] - 42:10 pilot [1] - 3:19 pivot [1] - 65:11 place [2] - 32:1, 85:8</p>	<p>Plaintiffs [1] - 1:6 PLAINTIFFS [1] - 1:19 plan [7] - 20:19, 20:23, 21:12, 21:14, 21:17, 69:20, 71:7 plane [2] - 3:19, 3:20 planning [1] - 58:5 plans [1] - 69:18 PLC [2] - 1:15, 1:19 plug [1] - 15:22 plugging [1] - 67:5 point [5] - 13:12, 29:18, 39:22, 41:12, 68:13 pointing [1] - 42:8 policies [1] - 32:10 policy [10] - 9:4, 20:13, 21:19, 22:3, 26:13, 36:13, 37:3, 37:11, 38:8, 80:15 Pon [3] - 1:14, 85:6, 85:24 population [1] - 11:18 portion [1] - 26:6 position [8] - 22:4, 34:22, 45:8, 47:12, 66:12, 66:14, 66:23, 75:22 positions [1] - 45:4 practice [4] - 28:11, 31:22, 37:2, 37:11 preface [1] - 57:23 preparation [1] - 31:20 presently [1] - 61:7 president [7] - 7:13, 19:7, 20:7, 60:10, 65:19, 66:16, 66:19 pretty [6] - 12:8, 15:20, 61:5, 67:1, 78:16, 80:20 prevail [1] - 62:1 prevent [1] - 29:6 prevented [1] - 28:21 price [6] - 10:5, 10:16, 12:12, 14:5, 14:20, 15:23 pricing [2] - 15:18, 67:6 primarily [1] - 8:13 privileged [1] - 50:20 privy [1] - 80:14 problem [1] - 6:13 process [1] - 38:21 produced [1] - 3:2 product [1] - 51:7 professional [1] - 64:25 program [20] - 7:16, 7:23, 8:9, 8:10, 8:12, 8:14, 8:21, 8:24, 9:22, 15:24, 17:9, 19:3, 19:11, 65:22, 66:2, 66:18, 69:13, 69:14, 72:20 prompt [1] - 53:12 proof [1] - 72:22 propels [1] - 71:11 prospective [2] - 14:21, 16:19</p>	<p>provide [4] - 36:8, 37:4, 55:17, 55:19 provided [2] - 37:24, 56:4 providing [1] - 38:24 provision [3] - 71:21, 71:24, 73:5 Public [2] - 1:14, 85:6 public [1] - 40:17 pudding [1] - 72:22 Puget [1] - 79:12 pulled [1] - 10:15 punched [1] - 67:7 purposes [1] - 58:6 pursued [1] - 45:2 push [1] - 80:8 pushing [1] - 80:2 put [10] - 7:11, 7:14, 40:12, 40:14, 49:2, 57:11, 58:2, 61:2, 67:18, 72:16</p> <p style="text-align: center;">Q</p> <p>qualities [1] - 12:13 questions [4] - 35:23, 42:22, 83:19, 83:22 quick [3] - 5:3, 23:10, 26:2 quickly [4] - 10:11, 10:15, 11:24, 13:4 quote [1] - 70:10</p> <p style="text-align: center;">R</p> <p>raining [2] - 52:25, 54:3 ran [1] - 30:16 Rancho [1] - 43:15 rather [1] - 71:22 Ray [1] - 32:20 reached [2] - 8:15, 8:18 read [4] - 26:2, 26:5, 41:16, 83:23 ready [1] - 54:6 real [3] - 5:3, 23:10, 26:2 realized [1] - 11:24 really [13] - 8:21, 8:22, 30:16, 34:20, 49:24, 54:12, 54:13, 60:24, 61:19, 63:23, 64:8, 74:21, 83:11 reason [4] - 4:20, 4:21, 34:24, 36:3 reassured [1] - 33:23 receive [2] - 30:25, 32:12 recite [1] - 62:10 recollection [2] - 55:25, 58:18 record [11] - 6:15, 13:6, 43:6, 43:11, 48:19, 53:8, 55:15, 65:25, 77:14, 78:20, 82:6 reduced [1] - 85:12 Rees [1] - 1:22 reference [1] - 75:4</p>	<p>referencing [1] - 53:7 referred [1] - 70:9 reflected [1] - 29:3 refresh [1] - 58:18 refuse [1] - 21:22 regard [8] - 3:14, 6:16, 7:23, 76:1, 76:4, 76:6, 80:16, 81:7 regarding [2] - 34:5, 80:15 Registration [1] - 85:25 regular [1] - 37:2 reins [1] - 16:10 reintroduced [1] - 69:15 rejected [1] - 56:12 relate [1] - 62:14 related [3] - 35:25, 51:7, 51:8 relation [1] - 51:16 relationships [1] - 42:12 relying [1] - 63:17 remedy [6] - 26:15, 26:19, 26:22, 27:25, 28:14, 35:6 remember [34] - 3:12, 4:10, 4:11, 19:8, 21:3, 31:17, 32:19, 33:16, 38:4, 40:9, 40:10, 40:13, 40:15, 41:14, 42:7, 49:18, 52:22, 52:23, 54:3, 55:21, 56:16, 56:18, 57:9, 57:10, 59:24, 59:25, 60:2, 65:8, 65:10, 79:9 renew [11] - 17:11, 21:22, 30:11, 36:8, 36:9, 36:24, 37:4, 37:25, 64:12, 71:5, 71:6 renewable [8] - 16:6, 16:12, 16:23, 59:18, 68:11, 68:15, 68:20, 68:23 renewal [9] - 36:5, 36:11, 36:22, 37:19, 38:8, 38:16, 77:9, 78:13, 79:1 renewed [3] - 39:9, 59:20, 76:14 renewing [10] - 28:21, 29:6, 74:16, 74:18, 75:4, 75:9, 75:13, 76:4, 76:7, 81:8 rephrase [2] - 65:2, 75:14 reported [1] - 8:5 REPORTER [7] - 9:13, 9:17, 49:19, 49:24, 50:3, 50:14, 54:21 reporter [1] - 5:6 Reporter [1] - 85:24 REPORTER'S [1] - 85:1 represent [5] - 6:15, 6:16, 16:19, 43:8, 83:25 representation [1] - 62:13 representations [1] - 5:14 requirement [7] - 20:2, 25:21, 36:11, 37:3, 37:12, 69:10, 71:22 requirements [12] - 18:22,</p>
--	--	---	--

<p>25:7, 26:9, 27:8, 27:20, 27:25, 69:6, 72:2, 74:17, 75:8, 81:18, 82:1 research [5] - 8:4, 8:8, 9:2, 9:3, 10:1 residence [1] - 43:12 resigned [1] - 44:4 responsible [1] - 66:23 retreat [2] - 41:13, 79:11 revenue [2] - 11:2, 11:4 reviewed [2] - 67:8 revise [2] - 57:5, 57:7 Rhonda [2] - 24:19, 24:21 rid [6] - 39:23, 41:2, 41:9, 42:1, 42:12, 63:25 rights [1] - 29:24 Rio [1] - 43:15 riot [1] - 41:17 ROAD [1] - 1:4 Road [16] - 6:17, 23:3, 24:17, 25:1, 34:6, 62:15, 62:25, 67:24, 77:9, 77:15, 77:16, 81:8, 81:14, 81:19, 82:2, 82:25 ROADKING [4] - 25:5, 27:3, 69:9, 73:4 Robinson [2] - 52:5, 52:6 role [2] - 46:5, 46:13 roles [1] - 46:11 Roman [2] - 32:23, 42:9 room [1] - 3:22 roughly [1] - 48:5 royalties [2] - 13:7, 32:12 royalty [2] - 14:6, 14:23 rules [1] - 5:3 run [1] - 47:9</p>	<p>secretaries [1] - 51:3 section [1] - 25:14 Section [3] - 25:15, 27:17, 27:18 see [8] - 25:5, 25:20, 27:8, 27:19, 28:1, 47:10, 58:13, 63:22 sell [4] - 10:5, 14:20, 73:23, 79:21 selling [1] - 24:23 send [6] - 30:17, 36:21, 36:22, 36:24, 36:25, 37:19 senior [1] - 8:16 sense [2] - 8:22, 39:7 sent [6] - 30:22, 31:6, 37:17, 56:12, 56:19, 67:8 sentence [8] - 25:17, 27:23, 28:1, 28:8, 35:5, 35:7, 35:10, 35:24 September [4] - 32:17, 80:19, 82:15, 85:22 serves [2] - 18:13, 34:16 SERVICE [1] - 1:8 Service [1] - 5:14 set [3] - 8:6, 44:19, 85:9 setting [1] - 10:11 seven [1] - 60:2 seventy [2] - 12:20, 13:7 seventy/thirty [1] - 13:10 sheet [2] - 15:21, 40:11 short [3] - 16:1, 43:1, 44:20 shot [1] - 21:5 show [2] - 4:12, 46:23 sign [7] - 56:17, 56:19, 56:24, 67:17, 71:5, 83:23, 84:3 sign-off [1] - 67:17 signature [1] - 67:14 signed [11] - 18:4, 35:11, 55:20, 55:23, 57:6, 60:1, 60:4, 67:9, 67:14, 67:20, 67:21 signing [1] - 56:12 signs [1] - 58:13 similar [1] - 62:18 sit [2] - 42:6, 51:25 sitting [2] - 3:21, 76:23 situation [1] - 74:9 situations [1] - 17:17 six [1] - 60:2 sixty [2] - 13:21, 13:22 sixty-five [1] - 13:22 sixty-five/thirty-five [1] - 13:21 sized [1] - 11:25 skill [1] - 44:19 slash [3] - 20:2, 69:11 slow [1] - 49:22 smart [1] - 73:14</p>	<p>so-and-so [1] - 52:1 sold [3] - 15:4, 15:5, 15:10 sole [6] - 26:15, 26:19, 26:22, 27:25, 28:14, 35:6 soliciting [2] - 33:20, 82:16 someone [3] - 21:20, 32:10, 38:23 sometimes [2] - 36:20, 76:8 somewhere [4] - 15:8, 32:23, 66:18, 73:17 Somewhere [1] - 66:21 soon [1] - 82:5 sorry [12] - 9:13, 17:22, 25:10, 26:4, 38:2, 45:12, 49:19, 50:14, 54:21, 66:10, 81:22, 83:14 sort [1] - 11:14 Sound [1] - 79:12 sounds [1] - 14:5 source [1] - 63:17 speaking [1] - 78:9 spear [1] - 70:20 spearheading [1] - 61:19 special [1] - 58:15 specific [3] - 51:16, 59:11, 72:10 specifically [5] - 36:1, 69:8, 73:3, 78:3, 78:22 specifics [1] - 51:22 speculate [2] - 78:16, 78:20 speed [2] - 26:21, 49:25 split [3] - 12:3, 14:6, 14:24 splits [1] - 12:6 splitting [1] - 13:7 spoken [2] - 51:17, 52:5 stack [1] - 72:22 staff [2] - 51:15, 57:20 stages [1] - 13:2 standing [1] - 52:24 start [9] - 9:23, 33:19, 33:22, 45:10, 45:14, 48:13, 71:13, 73:16, 82:17 started [19] - 10:6, 10:7, 10:9, 10:12, 10:15, 11:7, 40:6, 42:15, 42:16, 45:15, 63:25, 65:16, 65:18, 66:4, 66:6, 66:16, 69:24, 72:20, 83:14 starting [1] - 69:8 startup [1] - 46:9 state [1] - 85:7 statements [1] - 81:2 STATES [1] - 1:1 stenographic [1] - 85:14 stenographically [1] - 5:6 Steve [1] - 42:9 sticker [1] - 4:14 sticking [1] - 71:16 still [12] - 5:16, 11:22, 30:2,</p>	<p>30:18, 44:25, 45:2, 51:21, 51:23, 58:7, 60:22, 63:16, 63:17 stop [1] - 71:12 stopped [1] - 77:5 store [5] - 10:17, 10:18, 10:19, 52:24, 52:25 stores [1] - 10:23 story [2] - 44:20, 71:16 Stow [2] - 16:10, 32:20 strategize [1] - 49:12 strategizing [1] - 52:3 strategy [1] - 21:17 Street [1] - 1:23 stress [1] - 73:18 strike [5] - 22:5, 29:15, 34:3, 38:21 stuff [1] - 61:3 subpoena [1] - 4:19 Subpoena [1] - 2:12 subsidiary [1] - 46:8 substance [4] - 43:20, 49:4, 49:9, 57:1 success [1] - 69:15 suing [1] - 61:7 suit [2] - 48:12, 50:9 Suite [5] - 1:16, 1:20, 1:23, 78:17, 80:11 sweetheart [2] - 13:1, 13:10 swimming [1] - 5:1 sworn [4] - 3:2, 55:17, 55:19, 85:10 sympathetic [1] - 54:17 system [2] - 20:8, 67:3</p>
S			T
<p>sales [2] - 34:18, 38:21 Sandy [4] - 16:10, 19:9, 32:19, 32:20 Sark [1] - 52:10 Sarkau [1] - 52:12 Sarkauskas [4] - 52:14, 53:2, 53:6, 77:20 scales [1] - 10:12 SCC [1] - 40:17 Schedule [4] - 25:18, 27:7, 27:9, 72:5 schedule [18] - 18:19, 18:25, 19:2, 19:14, 19:16, 19:21, 20:9, 20:15, 21:21, 22:5, 25:11, 25:25, 26:8, 26:15, 27:14, 28:12, 28:22, 29:5 Scully [1] - 1:22 seal [1] - 55:13 season [2] - 10:2, 30:16 second [5] - 4:6, 34:25, 41:19, 50:12, 52:21</p>			<p>table [4] - 42:5, 42:6, 42:8 target [6] - 19:22, 20:1, 40:16, 69:11, 69:16, 70:2 targets [8] - 19:18, 19:20, 70:3, 70:8, 70:9, 70:10, 72:14, 72:15 Tax [19] - 3:14, 4:9, 5:14, 6:16, 6:21, 14:19, 17:1, 17:3, 20:14, 21:20, 29:3, 30:7, 38:20, 38:23, 43:8, 43:21, 65:13, 66:13, 66:14 tax [3] - 10:2, 30:16, 31:20 TAX [2] - 1:8, 1:8 Tax's [1] - 9:4 team [1] - 7:12 teasing [1] - 61:23 ten [10] - 10:22, 10:25, 11:2, 11:8, 59:16, 59:17, 59:19, 60:1, 68:7, 68:10 ten-year [3] - 60:1, 68:7, 68:10 tenure [5] - 21:20, 26:14, 29:3, 71:20, 78:23</p>



<p>term [14] - 56:21, 56:23, 57:9, 59:7, 59:9, 59:10, 68:4, 68:5, 68:7, 68:11, 68:17, 68:19, 68:22, 70:11</p> <p>terminate [2] - 20:18, 71:15</p> <p>terminated [12] - 20:15, 21:12, 21:13, 30:10, 62:23, 63:5, 64:8, 64:22, 69:19, 73:21, 73:25</p> <p>terminating [2] - 80:20, 81:1</p> <p>termination [4] - 31:1, 31:2, 61:10, 62:15</p> <p>terms [10] - 9:3, 14:4, 15:17, 34:17, 48:15, 69:5, 78:3, 78:10, 78:15, 79:2</p> <p>territories [15] - 11:15, 11:17, 15:3, 16:1, 19:22, 20:24, 21:6, 26:10, 26:16, 28:13, 28:18, 30:1, 30:3, 30:6</p> <p>territory [13] - 10:14, 11:6, 12:14, 14:5, 14:20, 15:3, 15:11, 15:18, 17:18, 25:25, 26:11, 29:8, 35:6</p> <p>testified [3] - 3:3, 43:17, 74:25</p> <p>testify [1] - 85:10</p> <p>testimony [4] - 55:17, 55:19, 85:8, 85:12</p> <p>text [1] - 30:17</p> <p>THE [67] - 1:19, 1:22, 9:13, 9:15, 9:17, 9:18, 16:4, 17:3, 17:13, 20:1, 20:17, 21:24, 23:11, 26:19, 28:24, 29:10, 30:14, 32:16, 33:15, 34:9, 35:15, 36:16, 37:7, 37:15, 38:4, 38:13, 39:2, 39:17, 40:2, 42:25, 48:23, 49:19, 49:23, 49:24, 50:3, 50:14, 50:17, 50:21, 50:25, 51:4, 52:11, 52:13, 52:15, 52:18, 53:3, 53:5, 53:9, 53:16, 53:18, 53:21, 54:21, 54:25, 62:21, 64:15, 68:22, 72:1, 72:8, 73:10, 74:21, 76:19, 77:1, 77:20, 77:23, 83:13, 83:16, 84:2, 84:6</p> <p>themselves [1] - 42:7</p> <p>thereupon [1] - 85:11</p> <p>they've [1] - 67:2</p> <p>thirty [5] - 13:8, 13:22, 48:5, 61:22, 63:21</p> <p>thirty-five [1] - 13:22</p> <p>thoughts [1] - 76:24</p> <p>three [12] - 3:13, 13:15, 13:16, 14:3, 21:4, 23:13, 23:17, 23:18, 24:4, 31:12, 31:13</p> <p>timeframes [1] - 70:21</p> <p>timeline [1] - 19:21</p>	<p>tip [1] - 70:19</p> <p>today [4] - 4:20, 76:23, 83:6, 83:12</p> <p>together [2] - 7:12, 8:13</p> <p>token [1] - 76:15</p> <p>took [4] - 3:20, 6:25, 40:11, 83:15</p> <p>top [1] - 65:6</p> <p>totally [2] - 10:13, 13:16</p> <p>towards [2] - 66:3, 78:18</p> <p>traffic [1] - 83:17</p> <p>tragic [1] - 4:5</p> <p>trail [3] - 53:1, 54:6, 55:7</p> <p>transcript [1] - 85:14</p> <p>transcription [1] - 85:13</p> <p>treat [1] - 70:22</p> <p>treated [2] - 38:9, 38:10</p> <p>treating [1] - 42:16</p> <p>treatment [1] - 58:15</p> <p>tried [7] - 12:4, 26:20, 30:14, 63:22, 75:2, 75:25, 76:2</p> <p>true [2] - 81:11, 85:13</p> <p>truth [3] - 85:10, 85:11</p> <p>try [5] - 5:5, 5:7, 5:10, 50:1, 63:23</p> <p>trying [7] - 32:19, 41:2, 70:4, 73:13, 73:21, 75:15, 75:21</p> <p>turned [1] - 30:21</p> <p>turner [1] - 82:15</p> <p>Turner [5] - 32:17, 33:4, 63:19, 80:19, 81:3</p> <p>turns [1] - 55:5</p> <p>tweaked [1] - 79:4</p> <p>twenty [1] - 61:22</p> <p>two [14] - 3:12, 7:15, 13:21, 17:23, 22:18, 24:5, 24:13, 32:21, 32:25, 45:17, 45:25, 46:2, 53:15</p> <p>two-week [1] - 7:15</p> <p>type [2] - 8:20, 69:14</p>	<p>up [19] - 4:4, 8:6, 10:16, 11:7, 12:4, 16:9, 26:21, 31:9, 36:21, 37:19, 42:20, 48:2, 50:1, 64:10, 66:15, 72:16, 72:22, 80:9, 83:21</p> <p>updated [1] - 27:4</p> <p>upset [3] - 64:18, 64:19, 64:20</p>	<p>38:13, 39:2, 39:17, 40:2, 42:25, 48:23, 49:23, 50:17, 50:21, 50:25, 51:4, 52:11, 52:13, 52:15, 52:18, 53:3, 53:5, 53:9, 53:16, 53:18, 53:21, 54:25, 62:21, 64:15, 68:22, 72:1, 72:8, 73:10, 74:21, 76:19, 77:1, 77:20, 77:23, 83:13, 83:16, 84:2, 84:6</p>	
		V		
		<p>vague [1] - 48:15</p> <p>value [2] - 26:11, 29:8</p> <p>variable [1] - 14:24</p> <p>vary [1] - 15:13</p> <p>venture [1] - 44:17</p> <p>verbally [1] - 5:11</p> <p>verify [1] - 56:20</p> <p>version [1] - 27:24</p> <p>versus [2] - 15:4, 15:5</p> <p>vice [7] - 7:13, 19:6, 20:7, 60:10, 65:18, 66:16, 66:19</p> <p>view [1] - 78:18</p> <p>viewpoint [2] - 49:16, 49:20</p> <p>viewpoints [1] - 54:17</p> <p>VIRGINIA [3] - 1:1, 85:3, 85:4</p> <p>Virginia [7] - 1:15, 1:16, 1:21, 1:24, 43:12, 43:15, 43:16</p> <p>volume [1] - 49:25</p> <p>voluntarily [1] - 44:4</p> <p>VP [1] - 78:22</p>	<p>wondering [1] - 49:2</p> <p>word [2] - 19:20, 38:14</p> <p>words [4] - 42:18, 42:19, 68:16</p> <p>worried [1] - 42:11</p> <p>worry [1] - 38:24</p> <p>Wow [1] - 4:3</p> <p>write [1] - 61:2</p> <p>writing [3] - 36:12, 37:13, 38:1</p> <p>written [6] - 36:9, 37:4, 38:24, 81:14, 81:17, 81:25</p> <p>wrongful [2] - 61:10, 62:15</p> <p>wrongfully [2] - 62:23, 63:5</p>	
		Y		
		W		
		<p>wait [1] - 50:11</p> <p>waive [6] - 36:13, 37:3, 37:12, 81:18, 82:1, 83:24</p> <p>walk [1] - 53:1</p> <p>walking [1] - 55:7</p> <p>week [1] - 7:15</p> <p>welcome [2] - 9:18, 14:14</p> <p>whole [9] - 5:19, 11:25, 30:4, 30:20, 42:2, 73:7, 73:10, 73:15, 85:10</p> <p>wife [10] - 24:19, 29:20, 29:22, 30:1, 30:14, 32:6, 41:14, 41:16, 58:1, 64:19</p> <p>wife's [2] - 58:11, 65:3</p> <p>wild [1] - 79:15</p> <p>winning [1] - 4:4</p> <p>wish [1] - 19:23</p> <p>witness [4] - 1:12, 3:3, 53:12, 85:9</p> <p>WITNESS [59] - 2:3, 9:15, 9:18, 16:4, 17:3, 17:13, 20:1, 20:17, 21:24, 23:11, 26:19, 28:24, 29:10, 30:14, 32:16, 33:15, 34:9, 35:15, 36:16, 37:7, 37:15, 38:4,</p>	<p>years [16] - 7:15, 13:15, 13:17, 15:14, 31:12, 31:13, 31:19, 35:15, 45:17, 48:5, 58:3, 59:16, 59:17, 59:19, 63:22, 68:24</p> <p>York [1] - 12:3</p> <p>Yorks [1] - 29:22</p> <p>young [4] - 10:23, 44:14, 46:9</p>	
		Z		
		<p>ultimate [4] - 67:11, 67:13, 67:17, 73:2</p> <p>Under [1] - 43:22</p> <p>under [4] - 25:1, 27:18, 58:25, 85:20</p> <p>underlined [1] - 25:18</p> <p>underperforming [1] - 69:2</p> <p>understood [4] - 5:15, 6:1, 6:5, 14:14</p> <p>unhappy [2] - 44:6, 44:9</p> <p>uniform [1] - 37:2</p> <p>unique [2] - 12:9, 12:13</p> <p>UNITED [1] - 1:1</p> <p>unsold [4] - 15:4, 15:5, 15:7, 15:8</p> <p>unveil [1] - 9:24</p>	<p>ZeeDee [6] - 6:17, 23:3, 34:5, 77:18, 81:11</p> <p>ZEEDEE [1] - 1:5</p> <p>ZeeDee's [2] - 62:16, 77:13</p> <p>Ziolkowski [5] - 52:7, 52:11, 52:13, 53:11, 56:4</p> <p>Ziolkowski's [1] - 55:18</p>	



Raleigh-Durham-Fayetteville, NC

MH

This is Exhibit "B" referred to in the affidavit of Mufeed Haddad sworn before me at Orange County, California this 21st day of November, 2023.

A Notary Public for the State of California



AREA DEVELOPER AGREEMENT

EXHIBIT B

TABLE OF CONTENTS

1. SERVICES 3

2. EXCLUSIVITY 7

3. FEES AND COMMISSIONS 7

4. MINIMUM AREA DEVELOPER PERFORMANCE 9

5. FRANCHISOR — FRANCHISEE RELATIONSHIP 10

6. NON-COMPETE AND NO SOLICITATION 11

7. TERM AND TERMINATION 12

8. MISCELLANEOUS 14

9. DEATH OR INCAPACITY 19

10. CONFIDENTIAL INFORMATION 19

11. COUNTERPARTS AND ELECTRONIC SIGNATURE 20

12. HEADINGS 21

13. AGREEMENT 21

SCHEDULE A TO THE AREA DEVELOPER AGREEMENT 22

SCHEDULE B TO THE AREA DEVELOPER AGREEMENT 23

97
AREA DEVELOPER
AGREEMENT

WHEREAS, JTH Tax, Inc. d/b/a Liberty Tax Service (“Liberty”) franchises a system for the operation of tax return preparation offices (the “Franchise”); and

WHEREAS, area developer (“Area Developer”) desires to find, solicit and recruit candidates willing to become Franchise owners (“Franchisees”) and desires to provide continuing services (the “Services”) on Liberty’s behalf to Franchisees; and

WHEREAS, Liberty wishes to receive the Services and compensate Area Developer.

NOW, THEREFORE, for value received, Liberty and Area Developer hereby agree as follows:

1. SERVICES

1.1 Area Developer Services.

(a) **Candidate Development.** Area Developer will use best efforts to find, solicit, and recruit candidates interested in operating a Franchise within the Territory (as described in Section 2). Upon Area Developer’s determination that a candidate may have the characteristics of a potential Franchisee (a “Candidate”), Area Developer will identify such Candidate in writing to Liberty for Liberty’s consideration.

(b) **Franchise Award.** All Candidates must successfully pass Liberty’s Effective Operations Training (“EOT”) and Hands On Training (“HOT”) to be awarded a Franchise.

(c) **Limitation of Services.** Area Developer may only offer those services or products through the Area Developer business as authorized by Liberty in this Agreement or the area developer operations manual (“Area Developer Operations Manual” or “Manual”), unless Liberty provides prior written approval.

1.2 Area Developer Support Services and Obligations.

(a) **Operational Support.** Area Developer will be responsible for coaching the Liberty system as described in the Area Developer Operations Manual and will provide Franchisees with timely local support, day-to-day operational help, marketing advice and feedback. Area Developer will host quarterly designated marketing area (DMA) meetings in person or through electronic means. Through these DMA meetings and as required by Liberty, Area Developer will disseminate information, collaborate with Franchisees, discuss advertising and address other issues that may arise or later be specified by Liberty. Area Developer does not have any authority to approve or disapprove Franchisee marketing or advertising.

Area Developer agrees to address reasonable company-owned store issues that may arise or be specified by Liberty. “Company-owned” refers to a store owned and operated by Liberty, an affiliate entity or an entity under the control of Liberty or any of its employees.

98

(b) **Customer Service.** Area Developer shall use best efforts to ensure that all Franchisees provide all appropriate services as outlined in the Franchisee Operations Manual and the Area Developer Operations Manual, abide by customer service policies issued by Liberty and timely respond to customer complaints and issues. Area Developer must operate in a manner that protects the goodwill, reputation of Liberty and the service marks and trademarks of Liberty (collectively “Marks”).

(c) **Site Selection** Area Developer shall provide site selection assistance in accordance with the Area Developer Operations Manual including, but not limited to, utilization of a company that we designate providing retail business intelligence solutions, and current Electronic Return Originator (“ERO”) data. Final site selection must be approved by Liberty.

(d) **Franchisee Budgets, Profit and Loss Statements and Action Plans.** Area Developer shall review and approve Franchisee budgets, profit and loss statements, action plans and the Marketing Plan Generator for submission to corporate for final approval in accordance with the deadlines provided by Liberty.

(e) **Agreement Facilitation.** Area Developers shall review and facilitate Franchisee applications to Liberty for financing, transfers, fee releases, sales, terminations and the like, subject to final approval by Liberty.

(f) **Required Attendance.** Area Developer, or Area Developer’s approved representative, shall attend area developer training and EOT within six months of closing. Additionally, Area Developer will attend all meetings that may be required by Liberty.

(g) **Manual.** Area Developer shall provide all assistance and support described in the Area Developer Operations Manual, the Operations Manual provided to Liberty Franchisees and Area Developers and all updates to these Manuals.

(h) **Contract Enforcement.** Upon termination or expiration of the franchise agreement between Liberty and any Franchisee (a “Former Franchisee”), Area Developer will assist Liberty in enforcing the post termination obligations set forth in its franchise agreement with that Former Franchisee (“Post Termination Obligations”), but Area Developer will have no duty to initiate court or other legal proceeding. These obligations include ensuring that all Liberty signs are removed from the Former Franchisee’s offices or other premises, receiving or acquiring all telephone numbers, listings and advertisements used in relation to the Former Franchisee’s business, receiving or acquiring all copies of lists and other sources of information containing the names of customers of the Former Franchisee, obtaining all Former Franchisee’s customer tax returns, files, records and all copies thereof and obtaining all copies of the Former Franchisee’s Operations Manual, including any updates, and performing other reasonable duties as may be assigned by Liberty to assist in the transition or closure of an office.

(i) **Fair Dealing.** Area Developer must deal fairly with Liberty and Liberty’s existing Franchisees, suppliers, partners, service providers, employees and anyone else with whom Area Developer has contact related to the rights and obligations granted herein. Area Developer shall not take unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of facts or any other unfair dealing practice.

1.3 **Liberty Obligations.**

(a) **Area Developer Operations Manual.** Liberty will provide an Area Developer Operations Manual and various updates to the Manual to provide requirements of operation and offer guidance in performing Area Developer services.

(b) **Initial and Advanced Training.** Liberty will provide reasonable training to Area Developer, at Area Developer's expense, in order to ensure that Area Developer has the ability to provide the services to Liberty described in Sections 1.1 and 1.2. At present, Liberty provides a three to four day initial Area Developer training course, which Area Developer and any manager working for Area Developer must attend and successfully complete within six months of closing. Liberty also requires Area Developer to attend EOT within six months of closing. Liberty may also provide and require Area Developer's attendance at advanced or other trainings that may be offered at select locations or Liberty may offer such training on the web or electronically. Although Liberty does not charge attendance at training, Area Developer must pay the cost incurred with traveling to training, and other incidental expenses such as food, lodging, and transportation incurred in attending any training that Liberty provides.

(c) **Disclosure Document.** Liberty will provide or make available to Area Developer its latest Franchise Disclosure Document to use as part of Area Developer's development services.

1.4 **Joint Duties.** Liberty and Area Developer will be responsible for the enforcement of all agreements ("Franchise Documents") executed in the awarding of a franchise to a Candidate and the monitoring of individual Franchisee performance and adherence to Liberty's Franchise system. However, Area Developer will not assert any legal claim by way of a lawsuit or otherwise, against a Franchisee without the written permission of Liberty.

1.5 **Personal Involvement.** Area Developer must render the Area Developer and support services hereunder personally, unless Area Developer submits to Liberty a general manager who attends and successfully completes Liberty's initial Area Developer training course and who is not later disapproved by Liberty. Area Developer acknowledges and agrees that Liberty shall not, and shall have no right or authority to, control Area Developer's employees. Liberty shall have no right or authority with respect to the hiring, termination, discipline, work schedules, pay rates or pay methods of Area Developer's employees. Area Developer acknowledges and agrees that all employees shall be Area Developer's exclusive employees and shall not be employees of Liberty nor joint employees of Area Developer and Liberty. Liberty neither dictates nor controls labor or employment matters for area developers and their employees.

1.6 **Reports.** Area Developer agrees to file with Liberty, at such times and in such forms as Liberty may specify, reports detailing Area Developer's activities, sales and other information that may be requested.

1.7 **Reviews.** Liberty reserves the right to review Area Developer's business operations, in person, by mail, or electronically. Liberty may inspect Area Developer's operations and obtain paper and electronic business records related to the business and any other operations taking place through Area Developer's business. Area Developer must send Liberty

100

any business records requested within five (5) business days of receiving Liberty's request for records and shall be responsible for any costs related to this transmission. Liberty has the right to require that Area Developer implement a plan to resolve any issues that Liberty discovers.

2. EXCLUSIVITY

2.1 **Exclusivity.** Except as otherwise permitted in this Agreement, Liberty will not appoint or authorize any other person to provide commissioned or paid Area Developer services to Liberty in the territory defined in Schedule A ("Territory"). This grant of the Territory in no way prevents or restricts Liberty from itself recruiting, soliciting or seeking new Franchisees in the Territory (including through the Internet or other means of general electronic communication) or from using unpaid referrals from other sources or as detailed in Section 2.2 in the obtaining of potential Franchisees. As indicated on Schedule A, the Territory has been divided into sub-territories ("Franchise Territories") as defined by Liberty, which will be made available to prospective Franchisees.

2.2 **Non-Area Developer-Proposed Franchisees.** If Liberty is referred, contacted by or comes into communication with any prospective Franchisee in the Territory not previously identified by Area Developer, Liberty may evaluate, recruit and award such prospective Franchisee a Franchise. Each such individual will be deemed a Franchisee for the purposes of this Agreement.

3. FEES AND COMMISSIONS

3.1 **Initial Fee.** Area Developer will pay Liberty \$ _____ upon execution of this Agreement, which shall be deemed fully earned by Liberty upon payment.

3.2 **Initial Franchise Fee.** Liberty will pay Area Developer, as detailed under Section 3.10, an amount equal to ____% of the initial franchise fee and interest on promissory notes, if and only to the extent that such interest is on franchise fees (except on interest already due and owing before the first of the month following the Effective Date of this Agreement), paid to Liberty by a Franchisee for a franchise within the Territory during the Term, pursuant to the terms in the franchise agreement between Franchisee and Liberty ("Franchise Fees") except amounts already due and owing before the first of the month following the Effective Date of this Agreement. Liberty will also pay to Area Developer the same percentage of any change fees for modifying the opening schedule of a multi-territory stipulation which a Franchisee in the Territory pays to Liberty during the Term, except change fees already due and owing before the first of the month following the Effective Date of this Agreement.

3.3 **Franchise Royalties.** Pursuant to the franchise agreement between a Franchisee and Liberty, each Franchisee is required to pay royalties associated with the operation of a franchised territory ("Royalties"). Except as provided under Section 4.1, Liberty will pay Area Developer, as detailed under Section 3.10, an amount equal to _____% of all ongoing Royalties received by Liberty, if any, from a Franchisee in the Territory during the Term (except Royalties already due and owing before the first of the month following the Effective Date of the Area Developer Agreement.)

101

Liberty will also pay to Area Developer this same royalty percentage on company-owned stores in Area Developer's Territory if a Franchisee store becomes company-owned after the first of the month following the Effective Date of this Agreement. The royalty percentage payable to Area Developer shall be calculated as if the store were still a Franchisee store.

3.4 **Demand for Payment.** Except as authorized herein, or except upon the prior written consent of Liberty, Area Developer will not demand any payment due from a Liberty Franchisee or other person or entity to Liberty.

3.5 **Fee for Franchisee Prospects.** Liberty may provide to Area Developer leads of prospective Franchisees within the Territory. Area Developer may not opt out of receiving leads. Liberty will set fees based upon the cost and the difficulty of acquiring the leads and Area Developer agrees to pay such fees.

3.6 **Fee for Internal Sales.** If Liberty's own franchise development staff handles the selling process with a prospective Franchisee within the Territory covered by this Agreement for the sale of an undeveloped territory (meaning one that does not contain an existing Liberty Tax Service office), Area Developer shall pay Liberty 15% of the Franchise Fee (subject to a \$6,000 minimum or such other amount as is established pursuant to Section 3.5). Liberty may deduct this from amounts Liberty otherwise owes to Area Developer.

3.7 **Advertising and Selling Material.** Liberty may charge and Area Developer agrees to pay a reasonable charge for preparing, procuring, printing, and/or sending advertising materials and Disclosure Documents to Area Developer.

3.8 **Terminal Services.** Liberty may charge and Area Developer agrees to pay a reasonable charge for providing computer access to information within the Liberty system and for computer access to a sales lead and contact information management system.

3.9 **Use of Franchise Broker.** Liberty may use the services of franchise brokers to identify Candidates who are potentially interested in becoming Franchisees ("Franchise Broker"). To participate in this opportunity, Area Developer agrees to pay a proportionate share of the Broker's fee for any broker-generated Candidate who becomes a Franchisee in Area Developer's Territory. Area Developer's share of Broker's fee shall be based on the proportion of initial Franchise Fee and Royalties that Area Developer receives under Sections 3.2 and 3.3. For example, if a Broker charges Liberty \$13,000 for a Candidate who becomes a Franchisee, and Area Developer receives 35% of the initial Franchise Fee and Royalties under Sections 3.2 and 3.3 above, then Area Developer's share of the initial Franchise Fee would be reduced by 35% of \$13,000 which amounts to \$4,550.

3.10 **Payment.** In any month that Liberty receives Franchise Fees, Royalties, interest on promissory notes for Franchise Fees (and such amounts are not already due and owing before the first of the month following the Effective Date of this agreement) from Franchisees in Area Developer's Territory, Liberty will pay Area Developer its share of these amounts not later than the last day of the next calendar month. In no case will Liberty advance funds to Area Developer, or be liable for payment on accounts receivables or unpaid Franchise Fees, Royalties or interest. Area Developer will be entitled to its share of Franchise Fees, Royalties and interest only with respect to amounts actually collected, and Liberty will be entitled to take credits

102

against previous payments to Area Developer to the extent that any Franchise Fees, Royalty or interest payments from a Franchisee are subject to a subsequent refund, offset or other credit. Each payment of Area Developer's share of Royalties, Franchise Fees, and interest will be accompanied by information in sufficient detail to allow Area Developer to determine the basis on which Area Developer's share of the Royalties, Franchise Fees and interest was calculated.

3.11 **Late Fees.** Payments for charges Liberty bills to Area Developer are due within thirty (30) days of billing and will be subject to an 12% per annum late fee, or the maximum allowed by law if less.

3.12 **Fee Amounts.** From time to time, Liberty will set and publish the fee amounts under Sections 3.5 and 3.7-3.8.

3.13 **Expenses.** Except as provided herein, each party will bear the expenses incurred by it in the performance of this Agreement.

3.14 **Referral Fees.** Liberty may offer referral fees to individuals that refer new Franchisees to Liberty. These referral fees do not apply to Area Developer for Candidates that become Franchisees in Area Developer's Territory.

3.15 **Automatic Payment Transfer.** All of the revenue that Area Developer is to receive under the Area Developer Agreement, or any other agreement between Area Developer and Liberty or Liberty's affiliate entities, shall initially be paid to Liberty. Liberty will remit any remaining balance to Area Developer from the above described revenue after deducting monies Area Developer owes to Liberty, and deducting monies to hold for application to upcoming amounts due to Liberty including, but not limited to, unbilled amounts.

3.16 **Transfer Fee.** If Area Developer transfers its rights and obligations under this Agreement, or an interest in this Agreement that results in a change in control of the entity, Area Developer must pay to Liberty a transfer fee of \$10,000 at the time of transfer. This fee is subject to increase or decrease in future area developer agreements by the amount of change in the *Consumer Price Index – All Urban Consumers*, published by the U.S. Department of Labor, or a reasonably similar successor index, from the index as of the Effective Date.

4. MINIMUM AREA DEVELOPER PERFORMANCE

4.1 **Minimum Requirements.** Area Developer will provide Liberty with a minimum number of Candidates each year that open Franchise Territories with an active Liberty office in operation, as described and set forth in Schedule B (the "Minimum Requirements"). For this purpose, a year will include each fiscal year of Liberty (including any partial year) ending on April 30.

If Area Developer does not meet the Minimum Requirements, Liberty may, upon notification to Area Developer within ninety (90) days of the end of the year wherein the requirements were not met, delete from the Territory up to the number of Franchise Territories by which Area Developer failed to meet the Minimum Requirements for that year. Liberty will only be entitled to delete Undeveloped Territories. Undeveloped Territories as used herein is defined as unsold territories which have not generated at least \$40,000 in Net Fees in any one of the two prior

103

fiscal years. Net Fees as used herein is defined as all revenue from all services and products offered by the franchisee pursuant to the franchise agreement between the franchisee and Liberty (including, but not limited to, revenue from individual, corporate, estate and partnership tax returns) after approved deductions for customer discounts/refunds, send a friends and cash in a flash. Liberty's notice will designate which Undeveloped Territories it desires to delete from the Territory, and Liberty shall have the sole discretion in making this determination. The specified Undeveloped Territories will be deemed deleted from the Territory as of the date that Liberty sends notice to Area Developer. Area Developer will thereafter not be entitled to any share of Franchise Fees, Royalties or interest paid with respect to any current or future franchisee or company-owned store within the specified Undeveloped Territories and such territories will no longer be deemed a part of this Agreement. This deletion is Liberty's sole remedy for failure to meet Minimum Requirements.

5. FRANCHISOR — FRANCHISEE RELATIONSHIP

5.1 **Disclosure.** Area Developer will comply with all federal and state franchise disclosure laws applicable to the solicitation of Franchisees, including providing the current Disclosure Document, prepared by Liberty, to all Candidates within the time frame provided by law. In most jurisdictions, this disclosure is currently required fourteen (14) calendar days before the signing of a binding agreement between the Candidate and Liberty or any payment by the Candidate to Liberty. Area Developer will ensure that any disclosure made in any form complies with the applicable franchise disclosure laws. Area Developer will be responsible for providing Liberty's most current Disclosure Document, but will not be responsible for improper disclosure due to inadequacies or errors in Liberty's most current Disclosure Document.

5.2 **Financial Performance Representations.** Except as may be expressly stated in Item 19 of Liberty's most current Franchise Disclosure Document in effect in Area Developer's Territory, Area Developer will not make any representation, either orally, in writing, electronically, or otherwise, to any prospective Candidate concerning actual or potential earnings, sales, income or profits of any Franchise. However, Area Developer may disclose financial performance of an existing franchise for sale to a Candidate interested in such unit as may be permitted by law.

5.3 **Improper Representations.** Area Developer will make no representations to any Candidate that conflicts with Liberty's current franchise agreement or Disclosure Document or make any promises, guarantees, or warranties to any party not authorized in writing by Liberty.

5.4 **No Unauthorized Commitments.** Area Developer acknowledges that it has no authority to bind Liberty with respect to any matter, and agrees that it will not enter into any agreements or understandings with any Candidates other than as authorized in writing by Liberty.

5.5 **Indemnity.** Area Developer will indemnify, defend and hold Liberty and its parent company, affiliates, officers, directors, members, partners, employees, agents, contractors, advisors and representatives (the "Indemnified Parties") harmless from and against any claim, suit or proceeding (including attorneys' fees and costs) brought against any of the Indemnified Parties resulting from, relating to or arising out of a claim that Area Developer failed to make proper disclosures under Section 5.1, made any improper earnings claim as detailed in Section

104

5.2, made any improper representations under Section 5.3, or entered into any unauthorized agreements under Section 5.4. Liberty will indemnify, defend and hold Area Developer and its affiliates, officers, directors, members, partners, employees, agents, contractors, advisors and representatives (the "Area Developer Indemnified Parties") harmless from and against any claim, suit, or proceeding brought against any of the Area Developer Indemnified Parties resulting from, relating to or arising out of a claim that Liberty failed to make proper disclosure under Section 5.1, made any improper earnings claim as detailed in Section 5.2, made any improper representations under Section 5.3, or entered into any unauthorized agreements under Section 5.4. Area Developer agrees to reasonable cooperation in the defense of any claim. The Indemnified Parties shall have the right to control settlement and selection of counsel and defense of any claim.

6. NON-COMPETE AND NO SOLICITATION**6.1 Non-Compete.**

(a) **In-Term.** Area Developer will not, during the Term of this Agreement, in the United States or Canada, directly or indirectly (i) recruit, search for, or solicit franchisees or prospective franchisees to engage in any franchised business including, but not limited to, a franchised business offering income tax return preparation, electronic filing of tax returns, or the provision of refund anticipation loans, except as to seeking Liberty Tax Service franchisees pursuant to the terms of this Agreement or as otherwise may be authenticated in writing by Liberty, or (ii) aid or facilitate another person or entity (except Liberty Tax Service franchisees or as otherwise may be allowed by Liberty) in the provision of paid income tax preparation offered to the public through retail outlets.

(b) **Post-Term.** Area Developer will not, for a period of two years after expiration or termination of this Agreement, in the Territory defined in Schedule A regardless of any reduction due to application of Section 4.1 (the "Original Territory"), or within twenty-five (25) miles of the boundaries of the Original Territory, directly or indirectly recruit, search for, or solicit franchisees or prospective franchisees to engage in any franchised business including, but not limited to, a franchised business offering income tax return preparation, electronic filing of tax returns, or the provision of refund anticipation loans except, if applicable, in Area Developer's capacity as a Liberty Area Developer pursuant to a valid, Liberty Area Developer Agreement.

6.2 No Solicitation.

(a) **In-Term.** Except with the written permission of Liberty, Area Developer will not, during the term of this Agreement, in the United States or in Canada, directly or indirectly solicit for employment in a management or supervisory capacity, any management or supervisory personnel employed by Liberty, any management or supervisory personnel employed by a Liberty Tax Service franchisee, or any Liberty Tax Service franchisee, or in the case of a franchisee which is an entity, the owners of such entity.

(b) **Post-Term.** Except with the written permission of Liberty, Area Developer will not, for a period of two years after expiration, termination or transfer of this Agreement, in the Original Territory and within twenty-five (25) miles of the boundaries of the Original Territory, directly or indirectly solicit to own, operate, manage or supervise any franchised business

105

including, but not limited to, an income tax preparation office or income tax preparation franchise, any management or supervisory personnel employed by Liberty, any management or supervisory personnel employed by a Liberty Tax Service franchisee, or any Liberty Tax Service franchisee, or in the case of a franchisee which is an entity, the owners of such entity, or any other entity beneficially owned by such owner or entity.

6.3 **Severability.** If any covenant or provision with Section 6.1 or 6.2 is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not affect or impair the validity of any other covenant or provision. Further, these obligations are considered independent of any other provision in this Agreement, and the existence of any claim or cause of action by either party to this Agreement against the other, whether based upon this Agreement or otherwise, shall not constitute a defense to the enforcement of these obligations.

7. TERM AND TERMINATION

7.1 **Term.** This Agreement will commence upon its Effective Date and will last for a term of six (6) years (the "Term").

7.2 **Renewal.** Upon the completion of the Term of this Agreement, provided Area Developer is in compliance with the terms and conditions in this Agreement and all other agreements with Liberty and Liberty's affiliates, Liberty will provide Area Developer with the right to enter into a new agreement with Liberty for the provision of services similar to those in this Agreement. If Area Developer wishes to renew this Agreement, Area Developer must notify Liberty in writing at least one hundred and eighty (180) days before the expiration of this Agreement. There will be no fee for the renewal, but Area Developer must execute a general release of all claims it may have against Liberty. Area Developer may also renew future Area Developer Agreements, if Area Developer is in compliance with the terms and conditions in such agreements, meets the other conditions therein for renewal, and renews by signing Liberty's then current Area Developer Agreement which may contain materially different terms. The fees and percentages described in Sections 3.2 and 3.3 above will not be reduced upon any renewal nor will the Territory be reduced, except as may be reduced due to failure to meet Minimum Requirements, as described in Section 4.1 above.

7.3 **Termination.**

(a) **Termination by Area Developer.** Area Developer may terminate this Agreement at any time through written notice of termination to Liberty. Area Developer's termination of this Agreement will be effective upon Liberty's receipt of Area Developer's termination notice.

(b) **Termination by Liberty Without Opportunity to Cure.** Liberty may terminate this Agreement effective upon the date of Liberty's sending written notice of termination to Area Developer, and without the opportunity for Area Developer to cure, for any of the following reasons:

- (i) Area Developer, or someone acting under Area Developer's supervision and control, commits a violation of any law, ordinance, rule or regulation of a

106

government or governmental agency or department and such conduct constitutes a material violation of any franchise law, antitrust law or securities law, fraud or a similar wrong, unfair or deceptive practices, or a comparable violation of applicable law, commits any act that is or could be, in Liberty's determination, harmful, prejudicial or injurious to the Liberty brand or any of the Affiliated Companies or any employee, franchisee, area developer or agent of such companies, or if the IRS or any federal, state or local governmental entity or agency initiates a criminal, civil or administrative proceeding or takes any administrative action against Area Developer or the Area Developer Business relating to compliance with applicable tax laws and regulations or laws and regulations related to this Agreement and the Area Developer Business, and such proceeding or action is not resolved or dismissed in favor of Area Developer, or the Area Developer Business, within thirty (30) days of its initiation; or

- (ii) Area Developer violates any of Sections 5.1, 5.2, 5.3 or 5.4 of this Agreement; or
- (iii) Area Developer makes a misstatement of material fact on a Biographical Information Form, which is required in order to enter into this Area Developer Agreement, or the Sales Agent Disclosure Form Update, submits false reports to Liberty, knowingly maintains false books or records, or fails to disclose a material fact that is requested in any such form or report, or refuses to fill out or completely fill out such form or report, or tender supporting documentation upon reasonable request; or
- (iv) Area Developer becomes insolvent, is unable to pay debts as they come due or take any steps to seek protection from creditors, or if a receiver (permanent or temporary) is appointed by a creditor or a court of competent authority, or Area Developer makes a general assignment for the benefit of creditors.

(c) **Termination by Liberty After Opportunity to Cure.** Liberty may terminate this Agreement if Area Developer fails to perform any obligation under this Agreement or any other Agreement between the parties or between Area Developer and Liberty's affiliates ("Breach") and such failure has continued for thirty (30) days after Liberty sent written notice of such Breach to Area Developer. Additionally, Liberty may terminate this Agreement if Area Developer commits any of the following breaches and such breach is not cured within fourteen (14) days after Liberty sends written notice of such breach to Area Developer:

- (i) Any amount owing to Liberty Liberty's parent company or affiliate entities (collectively, "Liberty Companies"), whether related to the Territory or not, is more than thirty (30) days past due, or Liberty determines that Area Developer has materially and substantively underreported revenue; or
- (ii) Area Developer abandons active operation of the business; or

107

- (iii) Area Developer fails to provide notification of Area Developer's desire to renew within the time and manner provided for in Section 7.2 of this Agreement; or
- (iv) Area Developer commits three or more breaches of this Agreement, or any other agreement with Liberty or the Liberty Companies to which Area Developer is a party, within any twelve (12) month period.

7.4 **No Refund of Initial Fee.** Liberty will have no obligation to return or refund any fee to Area Developer upon termination, cancellation, expiration, transfer of this Agreement, or exercise by Liberty of the rights provided by Section 4 and Area Developer will remain liable to Liberty for all amounts owed to Liberty.

7.5 **Survival of Obligations.** The Parties' obligations that by their nature may require performance after the termination or expiration of this Agreement, including, but not necessarily limited to, Sections 3.11, 5.5, 6, 7.4, 7.5, and 8-11, will survive the termination or expiration of this Agreement. Upon the termination or expiration of this Agreement, sale of this Agreement or sale or other transfer of Area Developer's business operated under this Agreement, Liberty will have no further obligation to pay Area Developer any share of Franchise Fees, Royalties or interest received by Liberty subsequent to the date of termination or expiration.

8. MISCELLANEOUS

8.1 **Relationship.** Notwithstanding anything herein to the contrary, this Agreement does not create a partnership, company, joint venture, or any other entity or similar legal relationship between the parties, and no party has a fiduciary duty or other special duty or relationship with respect to the other party. The parties acknowledge that Area Developer's relationship with Liberty hereunder is that of an independent contractor.

8.2 **Intellectual Property Ownership.** Liberty owns the Franchise system, its trademarks and all other intellectual property associated with the Franchise system. To the extent Area Developer has or later obtains any intellectual property, other property rights or interests in the Franchise system by operation of law or otherwise, Area Developer hereby disclaims such rights or interests and will promptly assign and transfer such entire interest exclusively to Liberty. Area Developer will not undertake to obtain, in lieu of Liberty, copyright, trademark, service mark, trade secret, patent rights or other intellectual property right with respect to the Franchise system. Area Developer will have the right to use Liberty's Marks during the Term for the sole purpose of advertising the availability of Franchises within the Territory, but Area Developer must obtain Liberty's prior written consent to such use, which consent may be withheld in Liberty's sole discretion.

8.3 **Trade and Domain Names.** Area Developer will not use the word "JTH," "LTS," "Dona Libertad," "Liberty," "Libtax", "Siempre", "SiempreTax," "SiempreTax+", "360", "360 Accounting" or the name, or any portion of the name of Liberty's affiliate entities, as any part of the name of a corporation, LLC or other entity (except as may be agreed between Area Developer and Liberty's affiliate entity in a separate franchise agreement with such affiliate entity). Further, unless Area Developer first receives Liberty's express written permission, Area Developer will not obtain or use any domain name (Internet address) in connection with the

108

provision of services under this Agreement or to facilitate any efforts to find, solicit and recruit Candidates.

8.4 **Assignment.** Liberty may assign this Agreement to an assignee who agrees to remain bound by its terms. Liberty does not permit a sub-license of the Agreement. Area Developer's interest under this Agreement may be transferred or assigned only if Area Developer complies with the provisions in this Section. No interest may be transferred unless Area Developer is in full compliance with this Agreement and current in all monies owed to Liberty. Upon Liberty's request, any transfer of an ownership interest in this Agreement must be joined by all signatories to this Agreement, except in the case of death or legal disability.

(a) **Liberty's Right of First Refusal.** If Area Developer has received and desires to accept a signed, bona fide offer to purchase or otherwise transfer the Area Developer Agreement or any interest in it, Liberty shall have the option (the "Right of First Refusal") to purchase such interest as hereinafter provided. Within fourteen (14) days of receipt of the offer, Area Developer shall offer the Right of First Refusal to Liberty by providing written notice to Liberty which shall include a copy of the signed offer to purchase that Area Developer received ("Notice"). Liberty shall have the right to purchase the Area Developer Agreement or interest in the Area Developer Agreement for the price and upon the terms set out in the Notice, except that Liberty may substitute cash for any non-cash form of payment proposed and Liberty shall have sixty (60) days after the exercise of Liberty's Right of First Refusal to close the said purchase. Liberty will notify Area Developer in writing within fifteen (15) days of its receipt of the Notice if it plans to exercise the Right of First Refusal. Upon the transmission of notice by Liberty, there shall immediately arise between Liberty and Area Developer, or its owners, a binding contract of purchase and sale at the price and terms contained in the Notice previously provided by Area Developer.

(b) **Transfer to Controlled Entity.** A transfer to a "Controlled Entity" shall not trigger the Right of First Refusal. A "Controlled Entity" is an entity in which Area Developer (or Area Developer's managers, members, owners, partners, shareholders or officers as of the date of this Agreement) is the beneficial owner of 100% of each class of voting ownership interest. At the time of the desired transfer of interest to a Controlled Entity, Area Developer must notify Liberty in writing of the name of the Controlled Entity and the name and address of each officer, director, shareholder, member, partner, or similar person and their respective ownership interest, and provide Liberty with the applicable organizational documents of the business entity. Each such person of the Controlled Entity shall sign, on behalf of the business entity and in their respective individual capacity, the amendment and release forms and/or area developer agreement as required by Liberty at the time of transfer. Currently, Liberty does not charge a transfer fee for this type of transaction.

(c) **Transfer of Interest Within Area Developer.** A transfer of interest within an Area Developer that is an entity shall not trigger the Right of First Refusal provided that only the percentage ownership is changing and not the identity of the owners. At the time of the desired transfer of interest within an entity, Area Developer must notify Liberty in writing of the name and address of each officer, director, shareholder, member, partner or similar person and their respective ownership interest prior to and following the proposed transfer and provide Liberty with the applicable organizational documents of the business entity. Each such person of the Controlled Entity shall sign, on behalf of the business entity and in their individual capacity, the amendment and release forms and/or area developer agreement as required by Liberty at the time

109

of transfer. Further, if the transfer of interest results in a change in control of the entity, Area Developer must pay to Liberty the transfer fee required at the time of transfer.

(d) **Right of First Refusal Not Exercised By Liberty.** If Liberty does not exercise the Right of First Refusal, Area Developer may transfer the Area Developer Agreement or ownership interest therein according to the terms set forth in the Notice, provided that Area Developer satisfies the conditions in Section 8.4(e) and completes the sale within ninety (90) days from the date that Liberty received Notice from Area Developer. If Area Developer does not conclude the proposed sale transaction within this 90-day period, the Liberty's Right of First Refusal shall continue in full force and effect.

(e) **Additional Requirements and Obligations for Transfer.**

- i) The proposed transferee(s) must complete Liberty's Area Developer application and pass Liberty's application screening in place at the time of transfer.
- ii) The proposed transferee(s) must sign the Liberty amendment forms and/or the then current Area Developer Agreement and must personally assume and be bound by all of the terms, covenants and conditions therein.
- iii) The proposed transferee(s) must attend and successfully complete Area Developer Training.
- iv) Area Developer shall sign Liberty's transfer and release forms required by Liberty at the time of transfer and pay to Liberty a transfer fee of \$10,000.00.

8.5 **Publicity.** Except as required by law, Area Developer may not make any press release or other public announcement involving the subject matter of this Agreement without the written agreement of Liberty as to the form of such press release or public announcement.

8.6 **Operations Manual, Specifications, and Equipment.** Liberty may issue specifications to guide Area Developer in the provision of Services hereunder. Liberty has an Area Developer Operations Manual that Area Developer agrees to follow. Liberty may issue computer and equipment requirements. At present, Area Developer is required to have business cards, a telephone and telephone line, printer, fax service and computer connected via internet to Liberty's computer network. Liberty also requires Area Developer to use an appropriate sales lead and contact information database or software to keep track of Area Developer's contacts with prospective Franchisees and may issue recommendations or requirements in this regard. Liberty may change Liberty's Area Developer Operations Manual and modify Liberty's specifications in order to maintain competitiveness, adjust for legal, technological, and economic changes, and to improve in the marketplace. Area Developer agrees to be bound by all future changes.

8.7 **Maintenance of Liberty Goodwill.** Area Developer agrees not to disparage Liberty, Liberty's parent company or affiliate entities or their current and former employees or directors. During the term of this Agreement, Area Developer also agrees not to do any act harmful, prejudicial, or injurious to any or all of the Liberty Companies.

8.8 Governing Law.

(a) **Virginia Law.** This Agreement is effective upon its acceptance in Virginia by Liberty's authorized officer. Virginia law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties hereto. However, the Virginia Retail Franchising Act does not apply to any claims by or on Area Developer's behalf if the Territory shown on Schedule A below is located outside of Virginia.

(b) **Jurisdiction and Venue.** In any suit brought by any or all of the Liberty Companies, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, Area Developer consents to venue and personal jurisdiction in the state court in the city or county where Liberty's national office is located and the federal courts located in the State where Liberty's national office is located (presently Virginia Beach, Virginia state courts and the United States District Courts located in the Commonwealth of Virginia). In any suit brought against any or all of the Liberty Companies, including present and former employees and agents of the Liberty Companies, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, venue shall be proper only in the federal courts located in the State where Liberty's national office is located (presently, the United States District Courts located in the Commonwealth of Virginia.) or if neither federal subject matter nor diversity jurisdiction exists, in the state court located in the city or county where Liberty's National Office is located (presently the City of Virginia Beach, Virginia).

(c) **Jury Waiver.** In any trial between Area Developer and any or all of the Liberty Companies, including present and former employees and agents of Liberty, Liberty's parent company or any affiliate entity, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, Area Developer and Liberty waive their respective rights to a jury trial and agree to have such action tried by a judge.

(d) **Class Action Waiver.** Area Developer agrees that any claim Area Developer may have against any or all of the Liberty Companies, including past and present employees and agents of the Liberty Companies, shall be brought individually and Area Developer shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against any or all of the Liberty Companies.

(e) **No Punitive Damages.** In any lawsuit, dispute or claim between or against Area Developer and any or all of the Liberty Companies, including present and former agents and employees of the Liberty Companies, Area Developer and Liberty waive their respective rights, if any, to seek or recover punitive or exemplary damages.

(f) **Attorneys' Fees and Costs.** Area Developer agrees to reimburse the Liberty Companies for all expenses reasonably incurred (including attorneys' fees and costs): (i) to enforce the terms of this Agreement or any obligation owed to any or all of the Liberty Companies by Area Developer (whether or not the Liberty Companies initiate the legal proceeding, unless the Liberty Companies initiate and fail to substantially prevail in such court or formal legal proceeding); and (ii) in the defense of any claim Area Developer asserts against us on which the Liberty Companies substantially prevail in court or other formal legal proceedings.

111

(g) **Anti-Terror.** Area Developer represents and warrants that no Area Developer signatory to this Agreement is identified, either by name or an alias, pseudonym or nickname, on the lists of “Specially Designated Nationals” maintained by the U.S. Treasury Department’s Office of Foreign Assets Control (texts currently available at www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx). Further, Area Developer represents and warrants that no Area Developer signatory to this Agreement has violated, and agrees not to violate, any law prohibiting corrupt business practices, money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person or government, including acts prohibited by the U.S. Patriot Act, U.S. Executive Order 13224, or any similar law. The foregoing constitutes continuing representations and warranties, and Area Developer shall immediately notify Liberty in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

8.9 **Severability.** If any one or more of the provisions in this Agreement or any application of such provision is held to be invalid, illegal or unenforceable in any respect by a competent tribunal, the validity, legality and enforceability of the remaining provisions in this Agreement and all other applications of the remaining provisions will not in any way be affected or impaired by such invalidity, illegality or unenforceability. Further, the obligations within Section 6 above are considered independent of any other provision in this agreement, and the existence of any claim or cause of action by either party to this agreement against the other, whether based upon this agreement or otherwise, shall not constitute a defense to the enforcement of these obligations.

8.10 **Notices.** Any notice, authorization, consent or other communication required or permitted under this Agreement must be made in writing and shall be given by mail or courier, postage fully prepaid, or delivered personally, to Liberty’s CEO, at Liberty’s National Office, presently 1716 Corporate Landing Parkway, Virginia Beach, Virginia 23454, Telephone: (757) 493-8855. Any such notice may also be given to Area Developer in the same manner at the address indicated below the Area Developer’s signature on this Agreement or such other more current address as Liberty may have on file for Area Developer. Liberty may also give notice to Area Developer by e-mail.

8.11 **Burdens and Benefits.** This Agreement will be binding upon and will inure to the benefit of the parties, their successors and assigns, as permitted hereunder.

8.12 **Entire Agreement.** This Agreement, including the Schedules, is the entire agreement between Area Developer and Liberty with respect to the subject matter contained herein. This Agreement supersedes all other prior oral and written agreements and understandings between Area Developer and Liberty with respect to the subject matter herein. However, nothing in this or any related agreement is intended to disclaim the representations Liberty made in the area developer disclosure document Liberty furnished to Area Developer.

8.13 **Amendment and Waiver.** No amendment, change, or modification of this Agreement and no waiver of any right under this Agreement will be effective unless in a written document that is signed by an authorized representative of each party. No failure to exercise and no delay in exercising any right under this Agreement will operate as a waiver.

112

8.14 **Financing.** If Liberty provides financing, Area Developer must submit annual financial information to Liberty including, but not limited to, income statements, balance sheets, and supporting documents. Area Developer agrees to submit the required information at the time and in the format specified by Liberty.

9. DEATH OR INCAPACITY

9.1 **Assistance and Reimbursement.** In the event of the death or incapacity of Area Developer, Liberty is entitled, but not required, to render assistance to maintain smooth and continued provision of Services. Liberty shall be entitled to reimbursement from Area Developer or Area Developer's estate for reasonable expenditures incurred.

9.2 **Required Time Frames.** Pursuant to this Section, death or incapacity shall not be grounds for termination of this Agreement unless either:

(a) Area Developer or his/her legal representative fails for a period of one hundred and eighty (180) days after such death or incapacity to commence action to assign this Agreement according to controlling state law regarding the affairs of a deceased or incapacitated person and the terms of this Agreement; or,

(b) Such assignment is not completed within one year after death or incapacity.

9.3 **Termination for Death or Incapacity.** Liberty shall have the right to terminate this Agreement if one of the conditions in Section 9.2 is not satisfied within the time frame provided. Nothing in this Section shall be construed to limit the provisions of Section 7 regarding termination. Further, the terms and conditions of Section 8.4 above apply to a transfer upon death or incapacity, in the same manner as such terms and conditions apply to any other transfer to a non-Affiliate.

10. CONFIDENTIAL INFORMATION

10.1 **Disclosure.** Liberty possesses confidential information including, but not limited to, methods of operation, service and other methods, techniques, formats, specifications, procedures, information, system, customer information, marketing information, trade secrets, intellectual property, knowledge of and experience in operating and franchising offices, operating as an Area Developer ("Confidential Information"). Liberty may disclose some or all of the Confidential Information (oral, written, electronic, or otherwise) to Area Developer and Area Developer's representatives. During the term of this Agreement and following the expiration or termination of this Agreement, Area Developer covenants not to directly or indirectly communicate, divulge, or use Confidential Information for its benefit or the benefit of any other person or legal entity except as specifically provided by the terms of this Agreement or permitted by Liberty in writing. Upon the expiration, termination or nonrenewal of this Agreement, Area Developer agrees that it will never use or disclose, and will not permit any of its representatives to use or disclose, our Confidential Information in any manner whatsoever, including, without limitation, in the design, development or operation of any business which provides services substantially similar to those stated herein. This provision shall not apply to information that: (a) at the time of disclosure is readily available to the public; (b) after disclosure becomes readily available to the trade or public other than through breach of this Agreement; (c) is subsequently lawfully and in good faith obtained by Area Developer from an

113

independent third party without breach of this Agreement; (d) was in Area Developer's possession prior to the date of Liberty's disclosure to Area Developer; or (e) is disclosed to others in accordance with the terms of a prior written authorization between Area Developer and Liberty. The protections granted in this Section shall be in addition to all other protections for Confidential Information provided by law or equity.

10.2 **Interest.** Area Developer will acquire no interest in Liberty's Confidential Information but is provided the right to use the Confidential Information disclosed for the purposes of developing and operating pursuant to this Agreement. Area Developer acknowledges that it would be an unfair method of competition to use or duplicate any Confidential Information other than in connection with the operation under this Agreement. No part of the Liberty franchise system nor any document or exhibit forming any part thereof shall be distributed, utilized or reproduced in any form or by any means, without our prior written consent.

10.3 **Use In Term.** Area Developer agrees that it will (a) refrain from using the Confidential Information for any purpose other than the operation pursuant to this Agreement; (b) maintain absolute confidentiality of Confidential Information during and after the term of this Agreement; (c) not make unauthorized copies of any portion of Confidential Information; and (d) adopt and implement all reasonable procedures, including but not limited to, those required by Liberty, to prevent unauthorized use of or disclosure of Confidential Information, including but not limited to, restrictions on disclosure to employees of Area Developer and the use of nondisclosure and non-competition clauses in employment agreements with employees that have access to Confidential Information.

10.4 **Use Following Term.** Upon termination of this Agreement, Area Developer will return to Liberty all Confidential Information embodied in tangible form, and will destroy, unless otherwise agreed, all other sources which contain or reflect any such Confidential Information. Notwithstanding the foregoing, Area Developer may retain Confidential Information solely for insurance, warranty, claims and archival purposes, but the information retained will remain subject at all times to the confidentiality restrictions of this Agreement.

11. COUNTERPARTS AND ELECTRONIC SIGNATURE

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (e.g. "pdf") format shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," and words of similar import in the Agreement shall be deemed to include electronic or digital signatures or the keeping of records in electronic form, each of which shall be of the same effect, validity and enforceability as manually executed signatures or a paper-based recordkeeping system, as the case may be, to the extent and as provided for under applicable law, including the Electronic Signatures in Global and National Commerce Act of 2000 (15 USC § 7001 et seq.) or any other similar state or federal laws.

12. HEADINGS

The headings of the various sections of this Agreement have been inserted for reference only and shall not be deemed to be a part of this Agreement.

13. AGREEMENT

The Area Developer named at the top of the following page agrees to abide by the terms of this Agreement. The Area Developer signature of an individual or individuals constitutes their personal agreement to such terms. The Area Developer signature of an individual or individuals on behalf of an entity constitutes the entity's agreement to such terms.

The individual signators signing on behalf of area developer also agree jointly and severally to perform all the obligations in and relating to this Agreement, including, but not limited to, all obligations related to the covenants not to compete, covenants not to solicit, confidentiality obligations, obligations to make payments specified herein, pay any other promissory notes and other debts due to Liberty, pay for products later ordered from Liberty and the obligations stated in **Section 8.8 above concerning governing law, including, but not limited to, the application of Virginia law, the jurisdiction and venue clause, the jury waiver, the class action waiver, and the limitation to compensatory damages only.** If the Area Developer Agreement is held in the name of a business entity and it is later determined by Liberty that the entity is no longer valid or in good standing with the laws of the applicable state of organization or that an individual has been removed as a part of the business entity pursuant to applicable state law or otherwise, Liberty shall have the right to modify the Area Developer Agreement to reflect the then current business structure with the signatures of only those that remain as valid members, officers, partners, directors or sole proprietor of the then current business structure. All Area Developer signators specifically agree to indemnify and hold Liberty harmless related to the removal of parties under this provision. All signators on the following page waive any right to presentment, demand or notice of non-performance and the right to require Liberty to proceed against the other signators. Except as specified herein, no person or entity is a third-party beneficiary of this Agreement.

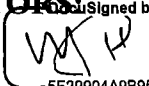
Signatures on Following Page.

115

Area Developer: Mufeed Haddad

Entity Number: 4693

SIGNATORS:

By: 
DocuSigned by:
5F2B904A9B95474

(Signature)

Mufeed Haddad

(Printed Name)

Title: _____

Address: 4045 humboldt ln

Yorba Linda ca 92886

Ownership Percentage: _____%

By: _____

(Signature)

(Printed Name)

Title: _____

Address: _____

Ownership Percentage: _____%

By: _____

(Signature)

(Printed Name)

Title: _____

Address: _____

Ownership Percentage: _____%

By: _____

(Signature)

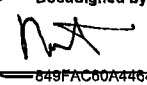
(Printed Name)

Title: _____

Address: _____

Ownership Percentage: _____%

**JTH TAX, INC. d/b/a
LIBERTY TAX SERVICE**

By: 
DocuSigned by:
549FAC00A44640E...

Printed Name: Nicole Ossenfort

Title: CEO

Effective Date: August 15, 2018

116
SCHEDULE A TO THE AREA DEVELOPER AGREEMENT
TERRITORY

Raleigh-Durham-Fayetteville, NC

Schedule A

TERRITORY

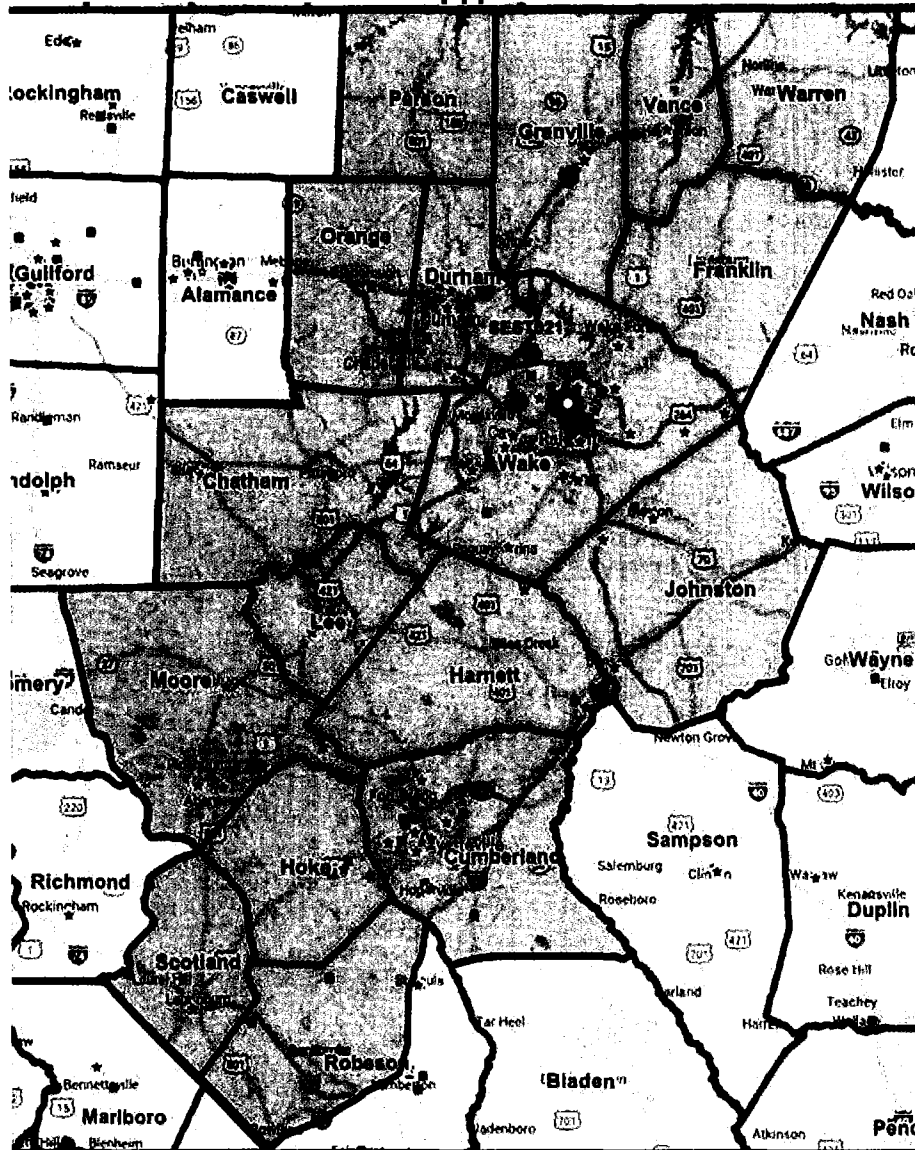
The counties of:

Person, NC
Granville, NC
Vance, NC
Warren, NC
Orange, NC
Durham, NC
Wake, NC
Franklin, NC
Chatham, NC
Moore, NC
Lee, NC
Harnett, NC
Johnston, NC
Hoke, NC
Cumberland, NC
Scotland, NC

Robeson, NC (including *only* the following part of):

NORTHWEST of I-95 from the Robeson/Cumberland County Line to the North Carolina/South Carolina State Line.
NORTHEAST of the North Carolina/South Carolina State Line from I-95 to the Robeson/Scotland County Line.
SOUTHEAST of the Robeson/Scotland County Line from the North Carolina/South Carolina State Line to the Robeson/Hoke County Line.
SOUTHEAST of the Robeson/Hoke County Line from the Robeson/Scotland County Line to the Robeson/Cumberland County Line.
SOUTHWEST of the Robeson/Cumberland County Line from the Robeson/Hoke County Line to I-95.

Currently divided by JTH Tax, Inc. into 68 Franchise Territories.



118
Schedule B

MINIMUM REQUIREMENTS

At closing there are thirty-three (33) JTH Tax, Inc. d/b/a Liberty Tax Service (“Liberty”) franchise territories with an active Liberty office currently within Area Developer’s Territory, and operating pursuant to franchise agreements by and between Liberty and each Franchisee that is a party to a franchise agreement (“existing active territories”). Area Developer agrees to maintain the number of existing active territories and agrees to identify and secure additional candidates/Franchisees such that the following cumulative minimum development obligations are met during the term of the Area Developer Agreement:

Development Period Ending	Cumulative Number of Liberty Tax Service Effective Franchise Agreements in Operation with an Active Liberty Office
2019	34
2020	35
2021	37
2022	39
2023	42
2024	45
2025	48
2026	52
2027	56
2028	60

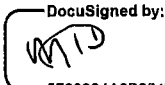
Acknowledgment of Early Renewal of Area Developer Agreement

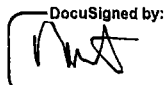
The undersigned Area Developer acknowledges that the Area Developer Agreement entered into by and between Area Developer and JTH Tax, Inc. d/b/a Liberty Tax Service dated July 5, 2017 was for a 10 year term which is set to expire on July 5, 2027 The parties hereby acknowledge, desire, and consent to the early renewal of the Area Developer Agreement and enter into a new Area Developer Agreement for a 10 year term commencing on the effective date of this Agreement. The parties acknowledge that they are under no obligation to renew the Area Developer Agreement at this earlier date and desire and do so of their own free will. Area Developer further acknowledges that Area Developer has been accorded ample time and opportunity to consult with advisors of its own choosing about renewing the Area Developer Agreement pursuant to this Acknowledgement.

Area Developer and all of Area Developer’s guarantors, members, employees, agents, successors, assigns and affiliates fully and finally release and forever discharge JTH Tax, Inc. d/b/a Liberty Tax Service, its past and present agents, employees, officers, directors, area developers, successors, assigns and affiliates (collectively “Liberty Released Parties”) from any and all claims, actions, causes of action, contractual rights, demands, damages, costs, loss of services, expenses and compensation which Area Developer could assert against the Liberty Released Parties or any of them up through and including the date of this Renewal and Release, including, but not limited to, any claim related to the early renewal of the Area Developer Agreement.

AREA DEVELOPER: Mufeed Haddad

**JTH TAX, INC. d/b/a
LIBERTY TAX SERVICE**

By:  _____
5E29904A0B95474
Mufeed Haddad

By:  _____
849FAC80A44840E...

Printed Name: Nicole Ossenfort

Title: CEO

Date: August 15, 2018

CALIFORNIA RENEWAL AND SPECIFIC RELEASE

Area Developer: **Mufeed Haddad**

Entity No.: **4693**

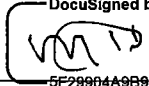
1. **Release-** Area Developer and all of Area Developer’s guarantors, members, employees, agents, successors, assigns and affiliates fully and finally release and forever discharge JTH Tax, Inc. d/b/a Liberty Tax Service, its past and present agents, employees, officers, directors, area developers, successors, assigns and affiliates (collectively “Liberty Released Parties”) from any and all claims, actions, causes of action, contractual rights, demands, damages, costs, loss of services, expenses and compensation which Area Developer could assert against the Liberty Released Parties or any of them up through and including the date of this Renewal and Release.
2. **Unknown or Unsuspected Consequences-** The parties understand and acknowledge that Section 1 of this Renewal and Specific Release applies to and includes all unknown or unsuspected consequences or results arising from or relating to the transactions, occurrences, or agreements referred to in those Sections. You represent and warrant that you have read the contents of California Civil Code §1542, which provides as follows:

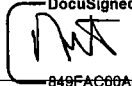
“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”

YOU EXPRESSLY WAIVE ANY AND ALL RIGHTS AND BENEFITS UNDER CALIFORNIA CIVIL CODE §1542.
3. **Nature of Release-** Each party acknowledges that it has read this Renewal and Specific Release, that it fully understands the contents of this Renewal and Specific Release, and that THIS IS A SPECIFIC RELEASE GIVING UP ALL RIGHTS WITH RESPECT TO THE TRANSACTIONS OR OCCURRENCES THAT ARE BEING RELEASED UNDER THIS AGREEMENT. The above Release shall not apply to any liabilities arising under the California Franchise Investment Law or the California Franchise Relations Act.
4. This Renewal and Specific Release may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Renewal and Specific Release by facsimile or in electronic (e.g. “pdf”) format shall be effective as delivery of a manually executed counterpart of this Renewal and Specific Release. The words “execution,” “signed,” “signature,” and words of similar import in the Renewal and Specific Release shall be deemed to include electronic or digital signatures or the keeping of records in electronic form, each of which shall be of the same effect, validity and enforceability as manually executed signatures or a paper-based recordkeeping system, as the case may be, to the extent and as provided for under applicable law, including the Electronic Signatures in Global and National Commerce Act of 2000 (15 USC § 7001 et seq.) or any other similar state or federal laws based on the Uniform Electronic Transactions Act. This Agreement shall not be modified except in writing signed by the parties hereto.

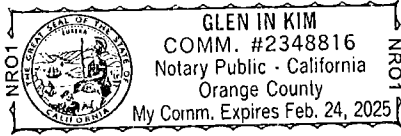
Area Developer: Mufeed Haddad

JTH Tax, Inc. d/b/a Liberty Tax Service

By:  _____
DocuSigned by: 5F29904A9B95474...
Mufeed Haddad

By:  _____
DocuSigned by: 849FAC00A44040E...
 Printed Name: Nicole Ossenfort
 Title: CEO
 Date: August 15, 2018

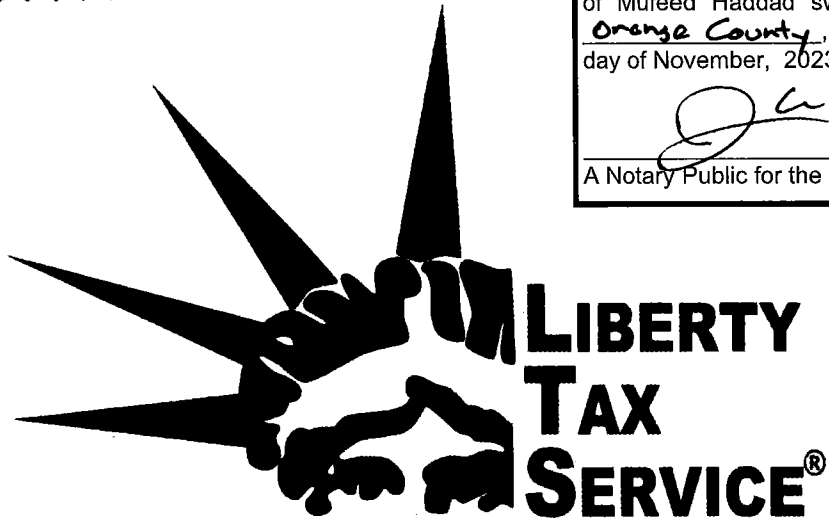
Los Angeles (SOUTHEAST), CA



MIT

This is Exhibit "C" referred to in the affidavit of Mufeed Haddad sworn before me at Orange County, California this 21st day of November, 2023.

A Notary Public for the State of California



AREA DEVELOPER AGREEMENT

EXHIBIT B

TABLE OF CONTENTS

1. SERVICES3
2. EXCLUSIVITY7
3. FEES AND COMMISSIONS7
4. MINIMUM AREA DEVELOPER PERFORMANCE9
5. FRANCHISOR — FRANCHISEE RELATIONSHIP10
6. NON-COMPETE AND NO SOLICITATION11
7. TERM AND TERMINATION12
8. MISCELLANEOUS14
9. DEATH OR INCAPACITY19
10. CONFIDENTIAL INFORMATION19
11. COUNTERPARTS AND ELECTRONIC SIGNATURE20
12. HEADINGS21
13. AGREEMENT21

SCHEDULE A TO THE AREA DEVELOPER AGREEMENT22
SCHEDULE B TO THE AREA DEVELOPER AGREEMENT23

123
AREA DEVELOPER
AGREEMENT

WHEREAS, JTH Tax, Inc. d/b/a Liberty Tax Service (“Liberty”) franchises a system for the operation of tax return preparation offices (the “Franchise”); and

WHEREAS, area developer (“Area Developer”) desires to find, solicit and recruit candidates willing to become Franchise owners (“Franchisees”) and desires to provide continuing services (the “Services”) on Liberty’s behalf to Franchisees; and

WHEREAS, Liberty wishes to receive the Services and compensate Area Developer.

NOW, THEREFORE, for value received, Liberty and Area Developer hereby agree as follows:

1. SERVICES

1.1 Area Developer Services.

(a) **Candidate Development.** Area Developer will use best efforts to find, solicit, and recruit candidates interested in operating a Franchise within the Territory (as described in Section 2). Upon Area Developer’s determination that a candidate may have the characteristics of a potential Franchisee (a “Candidate”), Area Developer will identify such Candidate in writing to Liberty for Liberty’s consideration.

(b) **Franchise Award.** All Candidates must successfully pass Liberty’s Effective Operations Training (“EOT”) and Hands On Training (“HOT”) to be awarded a Franchise.

(c) **Limitation of Services.** Area Developer may only offer those services or products through the Area Developer business as authorized by Liberty in this Agreement or the area developer operations manual (“Area Developer Operations Manual” or “Manual”), unless Liberty provides prior written approval.

1.2 Area Developer Support Services and Obligations.

(a) **Operational Support.** Area Developer will be responsible for coaching the Liberty system as described in the Area Developer Operations Manual and will provide Franchisees with timely local support, day-to-day operational help, marketing advice and feedback. Area Developer will host quarterly designated marketing area (DMA) meetings in person or through electronic means. Through these DMA meetings and as required by Liberty, Area Developer will disseminate information, collaborate with Franchisees, discuss advertising and address other issues that may arise or later be specified by Liberty. Area Developer does not have any authority to approve or disapprove Franchisee marketing or advertising.

Area Developer agrees to address reasonable company-owned store issues that may arise or be specified by Liberty. “Company-owned” refers to a store owned and operated by Liberty, an affiliate entity or an entity under the control of Liberty or any of its employees.

124

(b) **Customer Service.** Area Developer shall use best efforts to ensure that all Franchisees provide all appropriate services as outlined in the Franchisee Operations Manual and the Area Developer Operations Manual, abide by customer service policies issued by Liberty and timely respond to customer complaints and issues. Area Developer must operate in a manner that protects the goodwill, reputation of Liberty and the service marks and trademarks of Liberty (collectively “Marks”).

(c) **Site Selection.** Area Developer shall provide site selection assistance in accordance with the Area Developer Operations Manual including, but not limited to, utilization of a company that we designate providing retail business intelligence solutions, and current Electronic Return Originator (“ERO”) data. Final site selection must be approved by Liberty.

(d) **Franchisee Budgets, Profit and Loss Statements and Action Plans.** Area Developer shall review and approve Franchisee budgets, profit and loss statements, action plans and the Marketing Plan Generator for submission to corporate for final approval in accordance with the deadlines provided by Liberty.

(e) **Agreement Facilitation.** Area Developers shall review and facilitate Franchisee applications to Liberty for financing, transfers, fee releases, sales, terminations and the like, subject to final approval by Liberty.

(f) **Required Attendance.** Area Developer, or Area Developer’s approved representative, shall attend area developer training and EOT within six months of closing. Additionally, Area Developer will attend all meetings that may be required by Liberty.

(g) **Manual.** Area Developer shall provide all assistance and support described in the Area Developer Operations Manual, the Operations Manual provided to Liberty Franchisees and Area Developers and all updates to these Manuals.

(h) **Contract Enforcement.** Upon termination or expiration of the franchise agreement between Liberty and any Franchisee (a “Former Franchisee”), Area Developer will assist Liberty in enforcing the post termination obligations set forth in its franchise agreement with that Former Franchisee (“Post Termination Obligations”), but Area Developer will have no duty to initiate court or other legal proceeding. These obligations include ensuring that all Liberty signs are removed from the Former Franchisee’s offices or other premises, receiving or acquiring all telephone numbers, listings and advertisements used in relation to the Former Franchisee’s business, receiving or acquiring all copies of lists and other sources of information containing the names of customers of the Former Franchisee, obtaining all Former Franchisee’s customer tax returns, files, records and all copies thereof and obtaining all copies of the Former Franchisee’s Operations Manual, including any updates, and performing other reasonable duties as may be assigned by Liberty to assist in the transition or closure of an office.

(i) **Fair Dealing.** Area Developer must deal fairly with Liberty and Liberty’s existing Franchisees, suppliers, partners, service providers, employees and anyone else with whom Area Developer has contact related to the rights and obligations granted herein. Area Developer shall not take unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of facts or any other unfair dealing practice.

125**1.3 Liberty Obligations.**

(a) **Area Developer Operations Manual.** Liberty will provide an Area Developer Operations Manual and various updates to the Manual to provide requirements of operation and offer guidance in performing Area Developer services.

(b) **Initial and Advanced Training.** Liberty will provide reasonable training to Area Developer, at Area Developer's expense, in order to ensure that Area Developer has the ability to provide the services to Liberty described in Sections 1.1 and 1.2. At present, Liberty provides a three to four day initial Area Developer training course, which Area Developer and any manager working for Area Developer must attend and successfully complete within six months of closing. Liberty also requires Area Developer to attend EOT within six months of closing. Liberty may also provide and require Area Developer's attendance at advanced or other trainings that may be offered at select locations or Liberty may offer such training on the web or electronically. Although Liberty does not charge attendance at training, Area Developer must pay the cost incurred with traveling to training, and other incidental expenses such as food, lodging, and transportation incurred in attending any training that Liberty provides.

(c) **Disclosure Document.** Liberty will provide or make available to Area Developer its latest Franchise Disclosure Document to use as part of Area Developer's development services.

1.4 Joint Duties. Liberty and Area Developer will be responsible for the enforcement of all agreements ("Franchise Documents") executed in the awarding of a franchise to a Candidate and the monitoring of individual Franchisee performance and adherence to Liberty's Franchise system. However, Area Developer will not assert any legal claim by way of a lawsuit or otherwise, against a Franchisee without the written permission of Liberty.

1.5 Personal Involvement. Area Developer must render the Area Developer and support services hereunder personally, unless Area Developer submits to Liberty a general manager who attends and successfully completes Liberty's initial Area Developer training course and who is not later disapproved by Liberty. Area Developer acknowledges and agrees that Liberty shall not, and shall have no right or authority to, control Area Developer's employees. Liberty shall have no right or authority with respect to the hiring, termination, discipline, work schedules, pay rates or pay methods of Area Developer's employees. Area Developer acknowledges and agrees that all employees shall be Area Developer's exclusive employees and shall not be employees of Liberty nor joint employees of Area Developer and Liberty. Liberty neither dictates nor controls labor or employment matters for area developers and their employees.

1.6 Reports. Area Developer agrees to file with Liberty, at such times and in such forms as Liberty may specify, reports detailing Area Developer's activities, sales and other information that may be requested.

1.7 Reviews. Liberty reserves the right to review Area Developer's business operations, in person, by mail, or electronically. Liberty may inspect Area Developer's operations and obtain paper and electronic business records related to the business and any other operations taking place through Area Developer's business. Area Developer must send Liberty

any business records requested within five (5) business days of receiving Liberty's request for records and shall be responsible for any costs related to this transmission. Liberty has the right to require that Area Developer implement a plan to resolve any issues that Liberty discovers.

2. EXCLUSIVITY

2.1 **Exclusivity.** Except as otherwise permitted in this Agreement, Liberty will not appoint or authorize any other person to provide commissioned or paid Area Developer services to Liberty in the territory defined in Schedule A ("Territory"). This grant of the Territory in no way prevents or restricts Liberty from itself recruiting, soliciting or seeking new Franchisees in the Territory (including through the Internet or other means of general electronic communication) or from using unpaid referrals from other sources or as detailed in Section 2.2 in the obtaining of potential Franchisees. As indicated on Schedule A, the Territory has been divided into sub-territories ("Franchise Territories") as defined by Liberty, which will be made available to prospective Franchisees.

2.2 **Non-Area Developer-Proposed Franchisees.** If Liberty is referred, contacted by or comes into communication with any prospective Franchisee in the Territory not previously identified by Area Developer, Liberty may evaluate, recruit and award such prospective Franchisee a Franchise. Each such individual will be deemed a Franchisee for the purposes of this Agreement.

3. FEES AND COMMISSIONS

3.1 **Initial Fee.** Area Developer will pay Liberty \$ _____ upon execution of this Agreement, which shall be deemed fully earned by Liberty upon payment.

3.2 **Initial Franchise Fee.** Liberty will pay Area Developer, as detailed under Section 3.10, an amount equal to ____% of the initial franchise fee and interest on promissory notes, if and only to the extent that such interest is on franchise fees (except on interest already due and owing before the first of the month following the Effective Date of this Agreement), paid to Liberty by a Franchisee for a franchise within the Territory during the Term, pursuant to the terms in the franchise agreement between Franchisee and Liberty ("Franchise Fees") except amounts already due and owing before the first of the month following the Effective Date of this Agreement. Liberty will also pay to Area Developer the same percentage of any change fees for modifying the opening schedule of a multi-territory stipulation which a Franchisee in the Territory pays to Liberty during the Term, except change fees already due and owing before the first of the month following the Effective Date of this Agreement.

3.3 **Franchise Royalties.** Pursuant to the franchise agreement between a Franchisee and Liberty, each Franchisee is required to pay royalties associated with the operation of a franchised territory ("Royalties"). Except as provided under Section 4.1, Liberty will pay Area Developer, as detailed under Section 3.10, an amount equal to _____% of all ongoing Royalties received by Liberty, if any, from a Franchisee in the Territory during the Term (except Royalties already due and owing before the first of the month following the Effective Date of the Area Developer Agreement.)

127

Liberty will also pay to Area Developer this same royalty percentage on company-owned stores in Area Developer's Territory if a Franchisee store becomes company-owned after the first of the month following the Effective Date of this Agreement. The royalty percentage payable to Area Developer shall be calculated as if the store were still a Franchisee store.

3.4 **Demand for Payment.** Except as authorized herein, or except upon the prior written consent of Liberty, Area Developer will not demand any payment due from a Liberty Franchisee or other person or entity to Liberty.

3.5 **Fee for Franchisee Prospects.** Liberty may provide to Area Developer leads of prospective Franchisees within the Territory. Area Developer may not opt out of receiving leads. Liberty will set fees based upon the cost and the difficulty of acquiring the leads and Area Developer agrees to pay such fees.

3.6 **Fee for Internal Sales.** If Liberty's own franchise development staff handles the selling process with a prospective Franchisee within the Territory covered by this Agreement for the sale of an undeveloped territory (meaning one that does not contain an existing Liberty Tax Service office), Area Developer shall pay Liberty 15% of the Franchise Fee (subject to a \$6,000 minimum or such other amount as is established pursuant to Section 3.5). Liberty may deduct this from amounts Liberty otherwise owes to Area Developer.

3.7 **Advertising and Selling Material.** Liberty may charge and Area Developer agrees to pay a reasonable charge for preparing, procuring, printing, and/or sending advertising materials and Disclosure Documents to Area Developer.

3.8 **Terminal Services.** Liberty may charge and Area Developer agrees to pay a reasonable charge for providing computer access to information within the Liberty system and for computer access to a sales lead and contact information management system.

3.9 **Use of Franchise Broker.** Liberty may use the services of franchise brokers to identify Candidates who are potentially interested in becoming Franchisees ("Franchise Broker"). To participate in this opportunity, Area Developer agrees to pay a proportionate share of the Broker's fee for any broker-generated Candidate who becomes a Franchisee in Area Developer's Territory. Area Developer's share of Broker's fee shall be based on the proportion of initial Franchise Fee and Royalties that Area Developer receives under Sections 3.2 and 3.3. For example, if a Broker charges Liberty \$13,000 for a Candidate who becomes a Franchisee, and Area Developer receives 35% of the initial Franchise Fee and Royalties under Sections 3.2 and 3.3 above, then Area Developer's share of the initial Franchise Fee would be reduced by 35% of \$13,000 which amounts to \$4,550.

3.10 **Payment.** In any month that Liberty receives Franchise Fees, Royalties, interest on promissory notes for Franchise Fees (and such amounts are not already due and owing before the first of the month following the Effective Date of this agreement) from Franchisees in Area Developer's Territory, Liberty will pay Area Developer its share of these amounts not later than the last day of the next calendar month. In no case will Liberty advance funds to Area Developer, or be liable for payment on accounts receivables or unpaid Franchise Fees, Royalties or interest. Area Developer will be entitled to its share of Franchise Fees, Royalties and interest only with respect to amounts actually collected, and Liberty will be entitled to take credits

128

against previous payments to Area Developer to the extent that any Franchise Fees, Royalty or interest payments from a Franchisee are subject to a subsequent refund, offset or other credit. Each payment of Area Developer's share of Royalties, Franchise Fees, and interest will be accompanied by information in sufficient detail to allow Area Developer to determine the basis on which Area Developer's share of the Royalties, Franchise Fees and interest was calculated.

3.11 **Late Fees.** Payments for charges Liberty bills to Area Developer are due within thirty (30) days of billing and will be subject to an 12% per annum late fee, or the maximum allowed by law if less.

3.12 **Fee Amounts.** From time to time, Liberty will set and publish the fee amounts under Sections 3.5 and 3.7-3.8.

3.13 **Expenses.** Except as provided herein, each party will bear the expenses incurred by it in the performance of this Agreement.

3.14 **Referral Fees.** Liberty may offer referral fees to individuals that refer new Franchisees to Liberty. These referral fees do not apply to Area Developer for Candidates that become Franchisees in Area Developer's Territory.

3.15 **Automatic Payment Transfer.** All of the revenue that Area Developer is to receive under the Area Developer Agreement, or any other agreement between Area Developer and Liberty or Liberty's affiliate entities, shall initially be paid to Liberty. Liberty will remit any remaining balance to Area Developer from the above described revenue after deducting monies Area Developer owes to Liberty, and deducting monies to hold for application to upcoming amounts due to Liberty including, but not limited to, unbilled amounts.

3.16 **Transfer Fee.** If Area Developer transfers its rights and obligations under this Agreement, or an interest in this Agreement that results in a change in control of the entity, Area Developer must pay to Liberty a transfer fee of \$10,000 at the time of transfer. This fee is subject to increase or decrease in future area developer agreements by the amount of change in the *Consumer Price Index – All Urban Consumers*, published by the U.S. Department of Labor, or a reasonably similar successor index, from the index as of the Effective Date.

4. MINIMUM AREA DEVELOPER PERFORMANCE

4.1 **Minimum Requirements.** Area Developer will provide Liberty with a minimum number of Candidates each year that open Franchise Territories with an active Liberty office in operation, as described and set forth in Schedule B (the "Minimum Requirements"). For this purpose, a year will include each fiscal year of Liberty (including any partial year) ending on April 30.

If Area Developer does not meet the Minimum Requirements, Liberty may, upon notification to Area Developer within ninety (90) days of the end of the year wherein the requirements were not met, delete from the Territory up to the number of Franchise Territories by which Area Developer failed to meet the Minimum Requirements for that year. Liberty will only be entitled to delete Undeveloped Territories. Undeveloped Territories as used herein is defined as unsold territories which have not generated at least \$40,000 in Net Fees in any one of the two prior

129

fiscal years. Net Fees as used herein is defined as all revenue from all services and products offered by the franchisee pursuant to the franchise agreement between the franchisee and Liberty (including, but not limited to, revenue from individual, corporate, estate and partnership tax returns) after approved deductions for customer discounts/refunds, send a friends and cash in a flash. Liberty's notice will designate which Undeveloped Territories it desires to delete from the Territory, and Liberty shall have the sole discretion in making this determination. The specified Undeveloped Territories will be deemed deleted from the Territory as of the date that Liberty sends notice to Area Developer. Area Developer will thereafter not be entitled to any share of Franchise Fees, Royalties or interest paid with respect to any current or future franchisee or company-owned store within the specified Undeveloped Territories and such territories will no longer be deemed a part of this Agreement. This deletion is Liberty's sole remedy for failure to meet Minimum Requirements.

5. FRANCHISOR — FRANCHISEE RELATIONSHIP

5.1 **Disclosure.** Area Developer will comply with all federal and state franchise disclosure laws applicable to the solicitation of Franchisees, including providing the current Disclosure Document, prepared by Liberty, to all Candidates within the time frame provided by law. In most jurisdictions, this disclosure is currently required fourteen (14) calendar days before the signing of a binding agreement between the Candidate and Liberty or any payment by the Candidate to Liberty. Area Developer will ensure that any disclosure made in any form complies with the applicable franchise disclosure laws. Area Developer will be responsible for providing Liberty's most current Disclosure Document, but will not be responsible for improper disclosure due to inadequacies or errors in Liberty's most current Disclosure Document.

5.2 **Financial Performance Representations.** Except as may be expressly stated in Item 19 of Liberty's most current Franchise Disclosure Document in effect in Area Developer's Territory, Area Developer will not make any representation, either orally, in writing, electronically, or otherwise, to any prospective Candidate concerning actual or potential earnings, sales, income or profits of any Franchise. However, Area Developer may disclose financial performance of an existing franchise for sale to a Candidate interested in such unit as may be permitted by law.

5.3 **Improper Representations.** Area Developer will make no representations to any Candidate that conflicts with Liberty's current franchise agreement or Disclosure Document or make any promises, guarantees, or warranties to any party not authorized in writing by Liberty.

5.4 **No Unauthorized Commitments.** Area Developer acknowledges that it has no authority to bind Liberty with respect to any matter, and agrees that it will not enter into any agreements or understandings with any Candidates other than as authorized in writing by Liberty.

5.5 **Indemnity.** Area Developer will indemnify, defend and hold Liberty and its parent company, affiliates, officers, directors, members, partners, employees, agents, contractors, advisors and representatives (the "Indemnified Parties") harmless from and against any claim, suit or proceeding (including attorneys' fees and costs) brought against any of the Indemnified Parties resulting from, relating to or arising out of a claim that Area Developer failed to make proper disclosures under Section 5.1, made any improper earnings claim as detailed in Section

130

5.2, made any improper representations under Section 5.3, or entered into any unauthorized agreements under Section 5.4. Liberty will indemnify, defend and hold Area Developer and its affiliates, officers, directors, members, partners, employees, agents, contractors, advisors and representatives (the "Area Developer Indemnified Parties") harmless from and against any claim, suit, or proceeding brought against any of the Area Developer Indemnified Parties resulting from, relating to or arising out of a claim that Liberty failed to make proper disclosure under Section 5.1, made any improper earnings claim as detailed in Section 5.2, made any improper representations under Section 5.3, or entered into any unauthorized agreements under Section 5.4. Area Developer agrees to reasonable cooperation in the defense of any claim. The Indemnified Parties shall have the right to control settlement and selection of counsel and defense of any claim.

6. NON-COMPETE AND NO SOLICITATION

6.1 Non-Compete.

(a) **In-Term.** Area Developer will not, during the Term of this Agreement, in the United States or Canada, directly or indirectly (i) recruit, search for, or solicit franchisees or prospective franchisees to engage in any franchised business including, but not limited to, a franchised business offering income tax return preparation, electronic filing of tax returns, or the provision of refund anticipation loans, except as to seeking Liberty Tax Service franchisees pursuant to the terms of this Agreement or as otherwise may be authenticated in writing by Liberty, or (ii) aid or facilitate another person or entity (except Liberty Tax Service franchisees or as otherwise may be allowed by Liberty) in the provision of paid income tax preparation offered to the public through retail outlets.

(b) **Post-Term.** Area Developer will not, for a period of two years after expiration or termination of this Agreement, in the Territory defined in Schedule A regardless of any reduction due to application of Section 4.1 (the "Original Territory"), or within twenty-five (25) miles of the boundaries of the Original Territory, directly or indirectly recruit, search for, or solicit franchisees or prospective franchisees to engage in any franchised business including, but not limited to, a franchised business offering income tax return preparation, electronic filing of tax returns, or the provision of refund anticipation loans except, if applicable, in Area Developer's capacity as a Liberty Area Developer pursuant to a valid, Liberty Area Developer Agreement.

6.2 No Solicitation.

(a) **In-Term.** Except with the written permission of Liberty, Area Developer will not, during the term of this Agreement, in the United States or in Canada, directly or indirectly solicit for employment in a management or supervisory capacity, any management or supervisory personnel employed by Liberty, any management or supervisory personnel employed by a Liberty Tax Service franchisee, or any Liberty Tax Service franchisee, or in the case of a franchisee which is an entity, the owners of such entity.

(b) **Post-Term.** Except with the written permission of Liberty, Area Developer will not, for a period of two years after expiration, termination or transfer of this Agreement, in the Original Territory and within twenty-five (25) miles of the boundaries of the Original Territory, directly or indirectly solicit to own, operate, manage or supervise any franchised business

131

including, but not limited to, an income tax preparation office or income tax preparation franchise, any management or supervisory personnel employed by Liberty, any management or supervisory personnel employed by a Liberty Tax Service franchisee, or any Liberty Tax Service franchisee, or in the case of a franchisee which is an entity, the owners of such entity, or any other entity beneficially owned by such owner or entity.

6.3 **Severability.** If any covenant or provision with Section 6.1 or 6.2 is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not affect or impair the validity of any other covenant or provision. Further, these obligations are considered independent of any other provision in this Agreement, and the existence of any claim or cause of action by either party to this Agreement against the other, whether based upon this Agreement or otherwise, shall not constitute a defense to the enforcement of these obligations.

7. TERM AND TERMINATION

7.1 **Term.** This Agreement will commence upon its Effective Date and will last for a term of six (6) years (the "Term").

7.2 **Renewal.** Upon the completion of the Term of this Agreement, provided Area Developer is in compliance with the terms and conditions in this Agreement and all other agreements with Liberty and Liberty's affiliates, Liberty will provide Area Developer with the right to enter into a new agreement with Liberty for the provision of services similar to those in this Agreement. If Area Developer wishes to renew this Agreement, Area Developer must notify Liberty in writing at least one hundred and eighty (180) days before the expiration of this Agreement. There will be no fee for the renewal, but Area Developer must execute a general release of all claims it may have against Liberty. Area Developer may also renew future Area Developer Agreements, if Area Developer is in compliance with the terms and conditions in such agreements, meets the other conditions therein for renewal, and renews by signing Liberty's then current Area Developer Agreement which may contain materially different terms. The fees and percentages described in Sections 3.2 and 3.3 above will not be reduced upon any renewal nor will the Territory be reduced, except as may be reduced due to failure to meet Minimum Requirements, as described in Section 4.1 above.

7.3 **Termination.**

(a) **Termination by Area Developer.** Area Developer may terminate this Agreement at any time through written notice of termination to Liberty. Area Developer's termination of this Agreement will be effective upon Liberty's receipt of Area Developer's termination notice.

(b) **Termination by Liberty Without Opportunity to Cure.** Liberty may terminate this Agreement effective upon the date of Liberty's sending written notice of termination to Area Developer, and without the opportunity for Area Developer to cure, for any of the following reasons:

- (i) Area Developer, or someone acting under Area Developer's supervision and control, commits a violation of any law, ordinance, rule or regulation of a

132

government or governmental agency or department and such conduct constitutes a material violation of any franchise law, antitrust law or securities law, fraud or a similar wrong, unfair or deceptive practices, or a comparable violation of applicable law, commits any act that is or could be, in Liberty's determination, harmful, prejudicial or injurious to the Liberty brand or any of the Affiliated Companies or any employee, franchisee, area developer or agent of such companies, or if the IRS or any federal, state or local governmental entity or agency initiates a criminal, civil or administrative proceeding or takes any administrative action against Area Developer or the Area Developer Business relating to compliance with applicable tax laws and regulations or laws and regulations related to this Agreement and the Area Developer Business, and such proceeding or action is not resolved or dismissed in favor of Area Developer, or the Area Developer Business, within thirty (30) days of its initiation; or

- (ii) Area Developer violates any of Sections 5.1, 5.2, 5.3 or 5.4 of this Agreement; or
- (iii) Area Developer makes a misstatement of material fact on a Biographical Information Form, which is required in order to enter into this Area Developer Agreement, or the Sales Agent Disclosure Form Update, submits false reports to Liberty, knowingly maintains false books or records, or fails to disclose a material fact that is requested in any such form or report, or refuses to fill out or completely fill out such form or report, or tender supporting documentation upon reasonable request; or
- (iv) Area Developer becomes insolvent, is unable to pay debts as they come due or take any steps to seek protection from creditors, or if a receiver (permanent or temporary) is appointed by a creditor or a court of competent authority, or Area Developer makes a general assignment for the benefit of creditors.

(c) **Termination by Liberty After Opportunity to Cure.** Liberty may terminate this Agreement if Area Developer fails to perform any obligation under this Agreement or any other Agreement between the parties or between Area Developer and Liberty's affiliates ("Breach") and such failure has continued for thirty (30) days after Liberty sent written notice of such Breach to Area Developer. Additionally, Liberty may terminate this Agreement if Area Developer commits any of the following breaches and such breach is not cured within fourteen (14) days after Liberty sends written notice of such breach to Area Developer:

- (i) Any amount owing to Liberty Liberty's parent company or affiliate entities (collectively, "Liberty Companies"), whether related to the Territory or not, is more than thirty (30) days past due, or Liberty determines that Area Developer has materially and substantively underreported revenue; or
- (ii) Area Developer abandons active operation of the business; or

133

- (iii) Area Developer fails to provide notification of Area Developer's desire to renew within the time and manner provided for in Section 7.2 of this Agreement; or
- (iv) Area Developer commits three or more breaches of this Agreement, or any other agreement with Liberty or the Liberty Companies to which Area Developer is a party, within any twelve (12) month period.

7.4 **No Refund of Initial Fee.** Liberty will have no obligation to return or refund any fee to Area Developer upon termination, cancellation, expiration, transfer of this Agreement, or exercise by Liberty of the rights provided by Section 4 and Area Developer will remain liable to Liberty for all amounts owed to Liberty.

7.5 **Survival of Obligations.** The Parties' obligations that by their nature may require performance after the termination or expiration of this Agreement, including, but not necessarily limited to, Sections 3.11, 5.5, 6, 7.4, 7.5, and 8-11, will survive the termination or expiration of this Agreement. Upon the termination or expiration of this Agreement, sale of this Agreement or sale or other transfer of Area Developer's business operated under this Agreement, Liberty will have no further obligation to pay Area Developer any share of Franchise Fees, Royalties or interest received by Liberty subsequent to the date of termination or expiration.

8. MISCELLANEOUS

8.1 **Relationship.** Notwithstanding anything herein to the contrary, this Agreement does not create a partnership, company, joint venture, or any other entity or similar legal relationship between the parties, and no party has a fiduciary duty or other special duty or relationship with respect to the other party. The parties acknowledge that Area Developer's relationship with Liberty hereunder is that of an independent contractor.

8.2 **Intellectual Property Ownership.** Liberty owns the Franchise system, its trademarks and all other intellectual property associated with the Franchise system. To the extent Area Developer has or later obtains any intellectual property, other property rights or interests in the Franchise system by operation of law or otherwise, Area Developer hereby disclaims such rights or interests and will promptly assign and transfer such entire interest exclusively to Liberty. Area Developer will not undertake to obtain, in lieu of Liberty, copyright, trademark, service mark, trade secret, patent rights or other intellectual property right with respect to the Franchise system. Area Developer will have the right to use Liberty's Marks during the Term for the sole purpose of advertising the availability of Franchises within the Territory, but Area Developer must obtain Liberty's prior written consent to such use, which consent may be withheld in Liberty's sole discretion.

8.3 **Trade and Domain Names.** Area Developer will not use the word "JTH," "LTS," "Dona Libertad," "Liberty," "Libtax", "Siempre", "SiempreTax," "SiempreTax+", "360", "360 Accounting" or the name, or any portion of the name of Liberty's affiliate entities, as any part of the name of a corporation, LLC or other entity (except as may be agreed between Area Developer and Liberty's affiliate entity in a separate franchise agreement with such affiliate entity). Further, unless Area Developer first receives Liberty's express written permission, Area Developer will not obtain or use any domain name (Internet address) in connection with the

134

provision of services under this Agreement or to facilitate any efforts to find, solicit and recruit Candidates.

8.4 **Assignment.** Liberty may assign this Agreement to an assignee who agrees to remain bound by its terms. Liberty does not permit a sub-license of the Agreement. Area Developer's interest under this Agreement may be transferred or assigned only if Area Developer complies with the provisions in this Section. No interest may be transferred unless Area Developer is in full compliance with this Agreement and current in all monies owed to Liberty. Upon Liberty's request, any transfer of an ownership interest in this Agreement must be joined by all signatories to this Agreement, except in the case of death or legal disability.

(a) **Liberty's Right of First Refusal.** If Area Developer has received and desires to accept a signed, bona fide offer to purchase or otherwise transfer the Area Developer Agreement or any interest in it, Liberty shall have the option (the "Right of First Refusal") to purchase such interest as hereinafter provided. Within fourteen (14) days of receipt of the offer, Area Developer shall offer the Right of First Refusal to Liberty by providing written notice to Liberty which shall include a copy of the signed offer to purchase that Area Developer received ("Notice"). Liberty shall have the right to purchase the Area Developer Agreement or interest in the Area Developer Agreement for the price and upon the terms set out in the Notice, except that Liberty may substitute cash for any non-cash form of payment proposed and Liberty shall have sixty (60) days after the exercise of Liberty's Right of First Refusal to close the said purchase. Liberty will notify Area Developer in writing within fifteen (15) days of its receipt of the Notice if it plans to exercise the Right of First Refusal. Upon the transmission of notice by Liberty, there shall immediately arise between Liberty and Area Developer, or its owners, a binding contract of purchase and sale at the price and terms contained in the Notice previously provided by Area Developer.

(b) **Transfer to Controlled Entity.** A transfer to a "Controlled Entity" shall not trigger the Right of First Refusal. A "Controlled Entity" is an entity in which Area Developer (or Area Developer's managers, members, owners, partners, shareholders or officers as of the date of this Agreement) is the beneficial owner of 100% of each class of voting ownership interest. At the time of the desired transfer of interest to a Controlled Entity, Area Developer must notify Liberty in writing of the name of the Controlled Entity and the name and address of each officer, director, shareholder, member, partner, or similar person and their respective ownership interest, and provide Liberty with the applicable organizational documents of the business entity. Each such person of the Controlled Entity shall sign, on behalf of the business entity and in their respective individual capacity, the amendment and release forms and/or area developer agreement as required by Liberty at the time of transfer. Currently, Liberty does not charge a transfer fee for this type of transaction.

(c) **Transfer of Interest Within Area Developer.** A transfer of interest within an Area Developer that is an entity shall not trigger the Right of First Refusal provided that only the percentage ownership is changing and not the identity of the owners. At the time of the desired transfer of interest within an entity, Area Developer must notify Liberty in writing of the name and address of each officer, director, shareholder, member, partner or similar person and their respective ownership interest prior to and following the proposed transfer and provide Liberty with the applicable organizational documents of the business entity. Each such person of the Controlled Entity shall sign, on behalf of the business entity and in their individual capacity, the amendment and release forms and/or area developer agreement as required by Liberty at the time

135

of transfer. Further, if the transfer of interest results in a change in control of the entity, Area Developer must pay to Liberty the transfer fee required at the time of transfer.

(d) **Right of First Refusal Not Exercised By Liberty.** If Liberty does not exercise the Right of First Refusal, Area Developer may transfer the Area Developer Agreement or ownership interest therein according to the terms set forth in the Notice, provided that Area Developer satisfies the conditions in Section 8.4(e) and completes the sale within ninety (90) days from the date that Liberty received Notice from Area Developer. If Area Developer does not conclude the proposed sale transaction within this 90-day period, the Liberty's Right of First Refusal shall continue in full force and effect.

(e) **Additional Requirements and Obligations for Transfer.**

- i) The proposed transferee(s) must complete Liberty's Area Developer application and pass Liberty's application screening in place at the time of transfer.
- ii) The proposed transferee(s) must sign the Liberty amendment forms and/or the then current Area Developer Agreement and must personally assume and be bound by all of the terms, covenants and conditions therein.
- iii) The proposed transferee(s) must attend and successfully complete Area Developer Training.
- iv) Area Developer shall sign Liberty's transfer and release forms required by Liberty at the time of transfer and pay to Liberty a transfer fee of \$10,000.00.

8.5 **Publicity.** Except as required by law, Area Developer may not make any press release or other public announcement involving the subject matter of this Agreement without the written agreement of Liberty as to the form of such press release or public announcement.

8.6 **Operations Manual, Specifications, and Equipment.** Liberty may issue specifications to guide Area Developer in the provision of Services hereunder. Liberty has an Area Developer Operations Manual that Area Developer agrees to follow. Liberty may issue computer and equipment requirements. At present, Area Developer is required to have business cards, a telephone and telephone line, printer, fax service and computer connected via internet to Liberty's computer network. Liberty also requires Area Developer to use an appropriate sales lead and contact information database or software to keep track of Area Developer's contacts with prospective Franchisees and may issue recommendations or requirements in this regard. Liberty may change Liberty's Area Developer Operations Manual and modify Liberty's specifications in order to maintain competitiveness, adjust for legal, technological, and economic changes, and to improve in the marketplace. Area Developer agrees to be bound by all future changes.

8.7 **Maintenance of Liberty Goodwill.** Area Developer agrees not to disparage Liberty, Liberty's parent company or affiliate entities or their current and former employees or directors. During the term of this Agreement, Area Developer also agrees not to do any act harmful, prejudicial, or injurious to any or all of the Liberty Companies.

8.8 Governing Law.

(a) **Virginia Law.** This Agreement is effective upon its acceptance in Virginia by Liberty's authorized officer. Virginia law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties hereto. However, the Virginia Retail Franchising Act does not apply to any claims by or on Area Developer's behalf if the Territory shown on Schedule A below is located outside of Virginia.

(b) **Jurisdiction and Venue.** In any suit brought by any or all of the Liberty Companies, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, Area Developer consents to venue and personal jurisdiction in the state court in the city or county where Liberty's national office is located and the federal courts located in the State where Liberty's national office is located (presently Virginia Beach, Virginia state courts and the United States District Courts located in the Commonwealth of Virginia). In any suit brought against any or all of the Liberty Companies, including present and former employees and agents of the Liberty Companies, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, venue shall be proper only in the federal courts located in the State where Liberty's national office is located (presently, the United States District Courts located in the Commonwealth of Virginia.) or if neither federal subject matter nor diversity jurisdiction exists, in the state court located in the city or county where Liberty's National Office is located (presently the City of Virginia Beach, Virginia).

(c) **Jury Waiver.** In any trial between Area Developer and any or all of the Liberty Companies, including present and former employees and agents of Liberty, Liberty's parent company or any affiliate entity, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, Area Developer and Liberty waive their respective rights to a jury trial and agree to have such action tried by a judge.

(d) **Class Action Waiver.** Area Developer agrees that any claim Area Developer may have against any or all of the Liberty Companies, including past and present employees and agents of the Liberty Companies, shall be brought individually and Area Developer shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against any or all of the Liberty Companies.

(e) **No Punitive Damages.** In any lawsuit, dispute or claim between or against Area Developer and any or all of the Liberty Companies, including present and former agents and employees of the Liberty Companies, Area Developer and Liberty waive their respective rights, if any, to seek or recover punitive or exemplary damages.

(f) **Attorneys' Fees and Costs.** Area Developer agrees to reimburse the Liberty Companies for all expenses reasonably incurred (including attorneys' fees and costs): (i) to enforce the terms of this Agreement or any obligation owed to any or all of the Liberty Companies by Area Developer (whether or not the Liberty Companies initiate the legal proceeding, unless the Liberty Companies initiate and fail to substantially prevail in such court or formal legal proceeding); and (ii) in the defense of any claim Area Developer asserts against us on which the Liberty Companies substantially prevail in court or other formal legal proceedings.

137

(g) **Anti-Terror.** Area Developer represents and warrants that no Area Developer signatory to this Agreement is identified, either by name or an alias, pseudonym or nickname, on the lists of “Specially Designated Nationals” maintained by the U.S. Treasury Department’s Office of Foreign Assets Control (texts currently available at www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx). Further, Area Developer represents and warrants that no Area Developer signatory to this Agreement has violated, and agrees not to violate, any law prohibiting corrupt business practices, money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person or government, including acts prohibited by the U.S. Patriot Act, U.S. Executive Order 13224, or any similar law. The foregoing constitutes continuing representations and warranties, and Area Developer shall immediately notify Liberty in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

8.9 **Severability.** If any one or more of the provisions in this Agreement or any application of such provision is held to be invalid, illegal or unenforceable in any respect by a competent tribunal, the validity, legality and enforceability of the remaining provisions in this Agreement and all other applications of the remaining provisions will not in any way be affected or impaired by such invalidity, illegality or unenforceability. Further, the obligations within Section 6 above are considered independent of any other provision in this agreement, and the existence of any claim or cause of action by either party to this agreement against the other, whether based upon this agreement or otherwise, shall not constitute a defense to the enforcement of these obligations.

8.10 **Notices.** Any notice, authorization, consent or other communication required or permitted under this Agreement must be made in writing and shall be given by mail or courier, postage fully prepaid, or delivered personally, to Liberty’s CEO, at Liberty’s National Office, presently 1716 Corporate Landing Parkway, Virginia Beach, Virginia 23454, Telephone: (757) 493-8855. Any such notice may also be given to Area Developer in the same manner at the address indicated below the Area Developer’s signature on this Agreement or such other more current address as Liberty may have on file for Area Developer. Liberty may also give notice to Area Developer by e-mail.

8.11 **Burdens and Benefits.** This Agreement will be binding upon and will inure to the benefit of the parties, their successors and assigns, as permitted hereunder.

8.12 **Entire Agreement.** This Agreement, including the Schedules, is the entire agreement between Area Developer and Liberty with respect to the subject matter contained herein. This Agreement supersedes all other prior oral and written agreements and understandings between Area Developer and Liberty with respect to the subject matter herein. However, nothing in this or any related agreement is intended to disclaim the representations Liberty made in the area developer disclosure document Liberty furnished to Area Developer.

8.13 **Amendment and Waiver.** No amendment, change, or modification of this Agreement and no waiver of any right under this Agreement will be effective unless in a written document that is signed by an authorized representative of each party. No failure to exercise and no delay in exercising any right under this Agreement will operate as a waiver.

138

8.14 **Financing.** If Liberty provides financing, Area Developer must submit annual financial information to Liberty including, but not limited to, income statements, balance sheets, and supporting documents. Area Developer agrees to submit the required information at the time and in the format specified by Liberty.

9. DEATH OR INCAPACITY

9.1 **Assistance and Reimbursement.** In the event of the death or incapacity of Area Developer, Liberty is entitled, but not required, to render assistance to maintain smooth and continued provision of Services. Liberty shall be entitled to reimbursement from Area Developer or Area Developer's estate for reasonable expenditures incurred.

9.2 **Required Time Frames.** Pursuant to this Section, death or incapacity shall not be grounds for termination of this Agreement unless either:

(a) Area Developer or his/her legal representative fails for a period of one hundred and eighty (180) days after such death or incapacity to commence action to assign this Agreement according to controlling state law regarding the affairs of a deceased or incapacitated person and the terms of this Agreement; or,

(b) Such assignment is not completed within one year after death or incapacity.

9.3 **Termination for Death or Incapacity.** Liberty shall have the right to terminate this Agreement if one of the conditions in Section 9.2 is not satisfied within the time frame provided. Nothing in this Section shall be construed to limit the provisions of Section 7 regarding termination. Further, the terms and conditions of Section 8.4 above apply to a transfer upon death or incapacity, in the same manner as such terms and conditions apply to any other transfer to a non-Affiliate.

10. CONFIDENTIAL INFORMATION

10.1 **Disclosure.** Liberty possesses confidential information including, but not limited to, methods of operation, service and other methods, techniques, formats, specifications, procedures, information, system, customer information, marketing information, trade secrets, intellectual property, knowledge of and experience in operating and franchising offices, operating as an Area Developer ("Confidential Information"). Liberty may disclose some or all of the Confidential Information (oral, written, electronic, or otherwise) to Area Developer and Area Developer's representatives. During the term of this Agreement and following the expiration or termination of this Agreement, Area Developer covenants not to directly or indirectly communicate, divulge, or use Confidential Information for its benefit or the benefit of any other person or legal entity except as specifically provided by the terms of this Agreement or permitted by Liberty in writing. Upon the expiration, termination or nonrenewal of this Agreement, Area Developer agrees that it will never use or disclose, and will not permit any of its representatives to use or disclose, our Confidential Information in any manner whatsoever, including, without limitation, in the design, development or operation of any business which provides services substantially similar to those stated herein. This provision shall not apply to information that: (a) at the time of disclosure is readily available to the public; (b) after disclosure becomes readily available to the trade or public other than through breach of this Agreement; (c) is subsequently lawfully and in good faith obtained by Area Developer from an

139

independent third party without breach of this Agreement; (d) was in Area Developer's possession prior to the date of Liberty's disclosure to Area Developer; or (e) is disclosed to others in accordance with the terms of a prior written authorization between Area Developer and Liberty. The protections granted in this Section shall be in addition to all other protections for Confidential Information provided by law or equity.

10.2 **Interest.** Area Developer will acquire no interest in Liberty's Confidential Information but is provided the right to use the Confidential Information disclosed for the purposes of developing and operating pursuant to this Agreement. Area Developer acknowledges that it would be an unfair method of competition to use or duplicate any Confidential Information other than in connection with the operation under this Agreement. No part of the Liberty franchise system nor any document or exhibit forming any part thereof shall be distributed, utilized or reproduced in any form or by any means, without our prior written consent.

10.3 **Use In Term.** Area Developer agrees that it will (a) refrain from using the Confidential Information for any purpose other than the operation pursuant to this Agreement; (b) maintain absolute confidentiality of Confidential Information during and after the term of this Agreement; (c) not make unauthorized copies of any portion of Confidential Information; and (d) adopt and implement all reasonable procedures, including but not limited to, those required by Liberty, to prevent unauthorized use of or disclosure of Confidential Information, including but not limited to, restrictions on disclosure to employees of Area Developer and the use of nondisclosure and non-competition clauses in employment agreements with employees that have access to Confidential Information.

10.4 **Use Following Term.** Upon termination of this Agreement, Area Developer will return to Liberty all Confidential Information embodied in tangible form, and will destroy, unless otherwise agreed, all other sources which contain or reflect any such Confidential Information. Notwithstanding the foregoing, Area Developer may retain Confidential Information solely for insurance, warranty, claims and archival purposes, but the information retained will remain subject at all times to the confidentiality restrictions of this Agreement.

11. COUNTERPARTS AND ELECTRONIC SIGNATURE

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (e.g. "pdf") format shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," and words of similar import in the Agreement shall be deemed to include electronic or digital signatures or the keeping of records in electronic form, each of which shall be of the same effect, validity and enforceability as manually executed signatures or a paper-based recordkeeping system, as the case may be, to the extent and as provided for under applicable law, including the Electronic Signatures in Global and National Commerce Act of 2000 (15 USC § 7001 et seq.) or any other similar state or federal laws.

12. HEADINGS

The headings of the various sections of this Agreement have been inserted for reference only and shall not be deemed to be a part of this Agreement.

13. AGREEMENT

The Area Developer named at the top of the following page agrees to abide by the terms of this Agreement. The Area Developer signature of an individual or individuals constitutes their personal agreement to such terms. The Area Developer signature of an individual or individuals on behalf of an entity constitutes the entity's agreement to such terms.

The individual signators signing on behalf of area developer also agree jointly and severally to perform all the obligations in and relating to this Agreement, including, but not limited to, all obligations related to the covenants not to compete, covenants not to solicit, confidentiality obligations, obligations to make payments specified herein, pay any other promissory notes and other debts due to Liberty, pay for products later ordered from Liberty and the obligations stated in **Section 8.8 above concerning governing law, including, but not limited to, the application of Virginia law, the jurisdiction and venue clause, the jury waiver, the class action waiver, and the limitation to compensatory damages only.** If the Area Developer Agreement is held in the name of a business entity and it is later determined by Liberty that the entity is no longer valid or in good standing with the laws of the applicable state of organization or that an individual has been removed as a part of the business entity pursuant to applicable state law or otherwise, Liberty shall have the right to modify the Area Developer Agreement to reflect the then current business structure with the signatures of only those that remain as valid members, officers, partners, directors or sole proprietor of the then current business structure. All Area Developer signators specifically agree to indemnify and hold Liberty harmless related to the removal of parties under this provision. All signators on the following page waive any right to presentment, demand or notice of non-performance and the right to require Liberty to proceed against the other signators. Except as specified herein, no person or entity is a third-party beneficiary of this Agreement.


Signatures on Following Page.

141

Area Developer: M&M Business Group L.P.

Entity Number: 2532

SIGNATORS:

By: 
(Signature)

Michael Budka

(Printed Name)

Title: Partner

Address: 375 S CAMEO WAY
BREA CA 92823

Ownership Percentage: 50 %

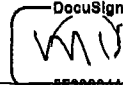
By: _____
(Signature)

(Printed Name)

Title: _____

Address: _____

Ownership Percentage: _____ %

By: 
(Signature)

Mufeed Haddad

(Printed Name)

Title: CFO/COO

Address: 4045 humboldt ln
Yorba Linda, ca. 92886

Ownership Percentage: 50 %

By: _____
(Signature)

(Printed Name)

Title: _____

Address: _____

Ownership Percentage: _____ %

**JTH TAX, INC. d/b/a
LIBERTY TAX SERVICE**

By: _____

Printed Name: _____

Title: _____

Effective Date: _____

142
SCHEDULE A TO THE AREA DEVELOPER AGREEMENT
TERRITORY

Los Angeles (SOUTHEAST), CA

Schedule A

TERRITORY

The counties of:

Los Angeles County, CA (Included part of):

NORTHWEST of SR-39 from the Los Angeles/Orange County Line to Stage Rd.
NORTHEAST of Stage Rd from SR-39 to the Los Angeles/Orange County Line.
NORTHWEST of the Los Angeles/Orange County Line from Stage Rd to SR-91.
SOUTHWEST of SR-91 from the Los Angeles/Orange County Line to Coyote Creek.
NORTHWEST of Coyote Creek from SR-91 to Del Amo Blvd.
NORTH of Del Amo Blvd from Coyote Creek to I-605.
EAST of I-605 from Del Amo Blvd to SR-91.
NORTH of SR-91 from I-605 to I-710.
EAST of I-710 from SR-91 to I-105.
NORTHEAST of I-105 from I-710 to S Alameda St.
EAST of S Alameda St from I-105 to Martin Luther King Blvd.
SOUTH of Martin Luther King Blvd continuing SOUTH of Century Blvd continuing SOUTH of Abbott Rd from S Alameda St to I-710.
SOUTHEAST of I-710 from Abbott Rd to SR-42.
NORTH of SR-42 from I-710 to Los Angeles River.
EAST of Los Angeles River from SR-42 to S Atlantic Blvd.
SOUTHEAST of S Atlantic Blvd from Los Angeles River to SR-60.
NORTH of SR-60 from S Atlantic Blvd to I-710.
EAST of I-710 from SR-60 to I-10.
SOUTHEAST of I-10 from I-710 to S Fremont Ave.
SOUTHWEST of S Fremont Ave from I-10 to S Monterey Pass Rd.
SOUTHEAST of S Monterey Pass Rd continuing SOUTH of W Garvey Ave from S Fremont Ave to San Gabriel Blvd.
WEST of San Gabriel Blvd continuing SOUTHWEST of N San Gabriel Blvd from W Garvey Ave to Whittier Narrows Dam County Recreational Area.
SOUTHWEST of Whittier Narrows Dam County Recreational Area from N San Gabriel Blvd to I-605.
NORTHWEST of I-605 from Whittier Narrows Dam County Recreational Area to Beverly Blvd.
SOUTHWEST of Beverly Blvd from I-605 to Pickering Ave.
WEST of Pickering Ave from Beverly Blvd to Mar Vista St.
SOUTHWEST of Mar Vista St from Pickering Ave to Colima Rd.
NORTHWEST of Colima Rd from Mar Vista St to Mulberry Dr.
SOUTH of Mulberry Dr from Colima Rd to Scott Ave.
EAST of Scott Ave from Mulberry Dr to Lambert Rd.
SOUTHWEST of Lambert Rd continuing SOUTH of W Lambert Rd from Scott Ave to the Los Angeles/Orange County Line.
WEST of the Los Angeles/Orange County Line from W Lambert Rd to SR-39.

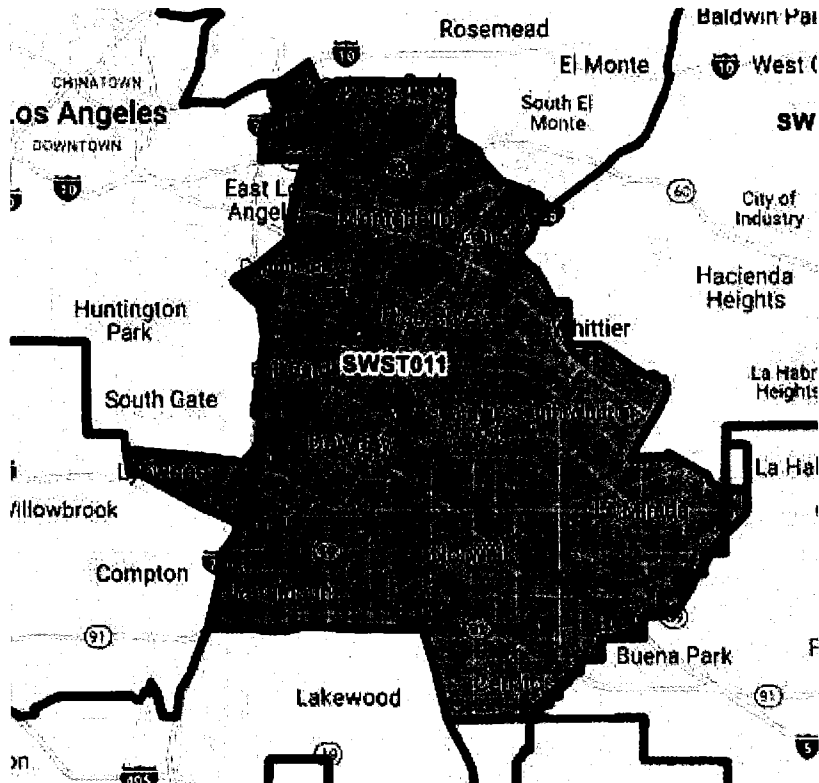
Orange County, CA (Included Part of):

WEST of continuing NORTHWEST of Beach Blvd from W Lambert Rd to the Los Angeles/Orange County Line.

EAST of the Los Angeles/Orange County Line from S Beach Blvd to W Lambert R.

SOUTH of W Lambert Rd from the Los Angeles/Orange County Line to S Beach Blvd.

Currently divided by JTH Tax, Inc. into 22 Franchise Territories.



144
Schedule B

MINIMUM REQUIREMENTS

At closing there are twelve (12) JTH Tax, Inc. d/b/a Liberty Tax Service (“Liberty”) franchise territories with an active Liberty office currently within Area Developer’s Territory, and operating pursuant to franchise agreements by and between Liberty and each Franchisee that is a party to a franchise agreement (“existing active territories”). Area Developer agrees to maintain the number of existing active territories and agrees to identify and secure additional candidates/Franchisees such that the following cumulative minimum development obligations are met during the term of the Area Developer Agreement:

Development Period Ending	Cumulative Number of Liberty Tax Service Effective Franchise Agreements in Operation with an Active Liberty Office
2019	13
2020	13
2021	15
2022	15
2023	17
2024	17
2025	19
2026	19
2027	21
2028	21

SPECIAL STIPULATION TO THE LIBERTY AREA DEVELOPER AGREEMENT

To the extent of any conflict between the following and the provisions of the Area Developer Agreement (“Area Developer Agreement”), the Special Stipulation shall control:

1. Section 3.1 of the JTH Tax, Inc. d/b/a Liberty Tax Service (“Liberty”) Area Developer Agreement is hereby deleted and replaced with the following:

The initial fee listed in the Area Developer Agreement dated November 15, 2006 (“Original Area Developer Agreement”) was \$192,291. Area Developer will pay Liberty no additional development fees upon renewal of said agreement. Notwithstanding any debt still owed to Liberty under said Agreement or otherwise will remain due and owing to Liberty pursuant to the terms.

2. Section 3.2 of the Area Developer Agreement is hereby deleted and replaced with the following:

Liberty will pay Area Developer, as detailed under Section 3.10, an amount equal to 50% of the initial franchise fee and interest on promissory notes, if and only to the extent that such interest is on Franchise Fees or Royalties (except on interest already due and owing prior to the Effective Date of the Original Area Developer Agreement), paid to Liberty by a Franchisee for a franchise within the Territory during the Term, pursuant to the terms in the franchise agreement between Franchisee and Liberty (“Franchise Fees”) except Franchise Fees already due and owing prior to the Effective Date of the Original Area Developer Agreement. Liberty will also pay to Area Developer the same percentage of any change fees for modifying the opening schedule of a multi-territory stipulation which a Franchisee in the Territory pays to Liberty during the Term, except change fees already due and owing prior to the Effective Date of the Original Area Developer Agreement.

3. Section 3.3 of the Area Developer Agreement is hereby deleted and replaced with the following:

Pursuant to the franchise agreement between a Franchisee and Liberty, each Franchisee is required to pay royalties associated with the operation of a franchised territory (“Royalties”). Except as provided under Section 4.1, Liberty will pay Area Developer, as detailed under Section 3.10, an amount equal to 50% of all ongoing Royalties paid by Franchisees to Liberty in Area Developer’s Territory during the Term, if any, (except Royalties due and owing before the Effective Date of the Original Area Developer Agreement).

Liberty will also pay to Area Developer this same royalty percentage on company-owned stores in Area Developer’s Territory if a Franchisee store becomes company-owned after the Effective Date of the Original Area Developer Agreement. The royalty percentage payable to Area Developer shall be calculated as if the store were still a Franchisee store.

4. Section 3.5 of the JTH Tax, Inc. d/b/a Liberty Tax Service (“Liberty”) Area Developer Agreement is hereby deleted and replaced with the following:

From time to time, Liberty may provide to Area Developer leads of prospective franchisees possibly interested in buying a Liberty franchise within the Territory. If Liberty provides any such leads to Area Developer, Liberty will set fees from time to time based upon the cost and the difficulty of acquiring the leads. If so provided, Area Developer agrees to purchase up to \$6,500 of leads per year, and may purchase more if offered, but is not obligated to.

5. Section 7.1 of the JTH Tax, Inc. d/b/a Liberty Tax Service (“Liberty”) Area Developer Agreement is hereby deleted and replaced with the following:

This Agreement will commence upon its Effective Date and will last for a term of ten (10) years (the "Term").

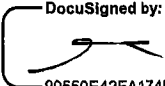
- 6. Section 7.2 of the JTH Tax, Inc. d/b/a Liberty Tax Service ("Liberty") Area Developer Agreement is hereby deleted and replaced with the following:

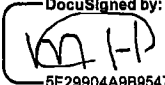
Upon the completion of the Term of this Agreement, provided Area Developer is in compliance with the terms and conditions in this Agreement, Liberty will provide Area Developer with the right to enter into a new agreement with Liberty for the provision of services to Liberty similar to those in this Agreement. If Area Developer wishes to renew this Agreement, Area Developer must notify Liberty in writing at least 180 days before the expiration of this Agreement. There will be no fee for the renewal, but Area Developer must execute a general release of all claims it may have against Liberty. Area Developer may also renew future Area Developer Agreements, if Area Developer is in compliance with the terms and conditions in such agreements, meets the other conditions therein for renewal and renews by signing our then current Area Developer Agreement. The fees and percentages described in paragraphs 3.2 and 3.3 above will not be reduced upon any renewal nor will the Territory be reduced, except as may be reduced due to failure to meet Minimum Requirements as described in paragraph 4.1.

By executing this Agreement, you, your officers and principles, individually and on behalf of all heirs, legal representatives, successors and assigns, and each assignee of this agreement by accepting assignment of the same, hereby forever releases and discharges Liberty, its past and present employees, agents, officers, area developers, directors, its subsidiary and affiliated corporations and franchisees, their respective past and present employees, agents, officers, directors, from any and all claims which could be asserted by you against any such persons and entities through the date of this Agreement, except obligations set forth or re-affirmed herein.

This Special Stipulation supersedes any prior similar Special Stipulation between the parties with respect to this subject matter. Except to the extent modified above, the terms of the Area Developer Agreement remain in full force and effect unless otherwise modified in writing signed by the parties.

Area Developer: M&M Business Group, L.P.

DocuSigned by:

 By: 90550E42FA174DE
 Michael Budka, Individually and as Manager

DocuSigned by:

 By: 5F29904A9B95474...
 Mufeed Haddad, Individually and as Manager

JTH TAX, Inc. d/b/a LIBERTY TAX SERVICE

DocuSigned by:

 By: 849FAC00A44640E...

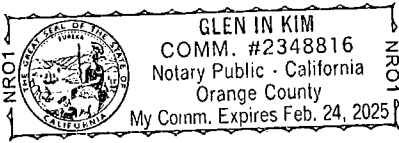
Printed Name: Nicole ossenfort

Title: CEO

Effective Date: August 15, 2018

Indianapolis, IN DMA

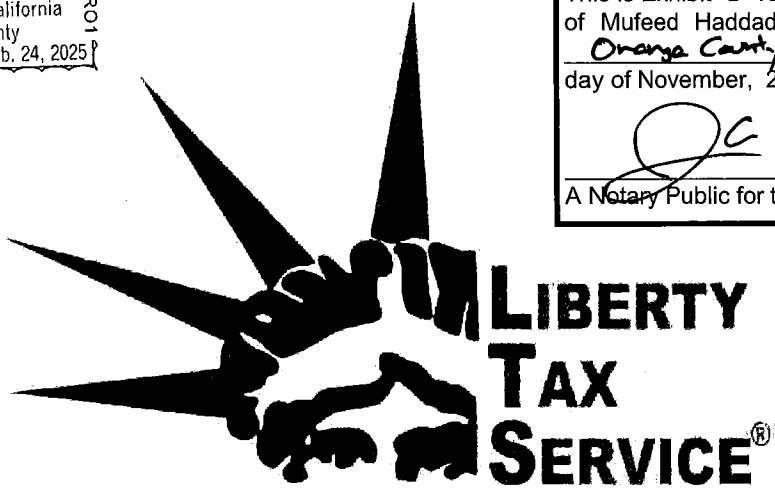
MH



This is Exhibit "D" referred to in the affidavit of Mufeed Haddad sworn before me at Orange County, California this 21st day of November, 2023.

JC B.

A Notary Public for the State of California



AREA DEVELOPER AGREEMENT

EXHIBIT B

TABLE OF CONTENTS

1. SERVICES 3
2. EXCLUSIVITY 7
3. FEES AND COMMISSIONS 7
4. MINIMUM AREA DEVELOPER PERFORMANCE 9
5. FRANCHISOR — FRANCHISEE RELATIONSHIP 10
6. NON-COMPETE AND NO SOLICITATION 11
7. TERM AND TERMINATION 12
8. MISCELLANEOUS 14
9. DEATH OR INCAPACITY 19
10. CONFIDENTIAL INFORMATION 19
11. COUNTERPARTS AND ELECTRONIC SIGNATURE 20
12. HEADINGS 21
13. AGREEMENT 21

SCHEDULE A TO THE AREA DEVELOPER AGREEMENT 22
SCHEDULE B TO THE AREA DEVELOPER AGREEMENT 23

Indianapolis, IN DMA

AREA DEVELOPER
AGREEMENT

WHEREAS, JTH Tax, Inc. d/b/a Liberty Tax Service (“Liberty”) franchises a system for the operation of tax return preparation offices (the “Franchise”); and

WHEREAS, area developer (“Area Developer”) desires to find, solicit and recruit candidates willing to become Franchise owners (“Franchisees”) and desires to provide continuing services (the “Services”) on Liberty’s behalf to Franchisees; and

WHEREAS, Liberty wishes to receive the Services and compensate Area Developer.

NOW, THEREFORE, for value received, Liberty and Area Developer hereby agree as follows:

1. SERVICES

1.1 Area Developer Services.

(a) **Candidate Development.** Area Developer will use best efforts to find, solicit, and recruit candidates interested in operating a Franchise within the Territory (as described in Section 2). Upon Area Developer’s determination that a candidate may have the characteristics of a potential Franchisee (a “Candidate”), Area Developer will identify such Candidate in writing to Liberty for Liberty’s consideration.

(b) **Franchise Award.** All Candidates must successfully pass Liberty’s Effective Operations Training (“EOT”) and Hands On Training (“HOT”) to be awarded a Franchise.

(c) **Limitation of Services.** Area Developer may only offer those services or products through the Area Developer business as authorized by Liberty in this Agreement or the area developer operations manual (“Area Developer Operations Manual” or “Manual”), unless Liberty provides prior written approval.

1.2 Area Developer Support Services and Obligations.

(a) **Operational Support.** Area Developer will be responsible for coaching the Liberty system as described in the Area Developer Operations Manual and will provide Franchisees with timely local support, day-to-day operational help, marketing advice and feedback. Area Developer will host quarterly designated marketing area (DMA) meetings in person or through electronic means. Through these DMA meetings and as required by Liberty, Area Developer will disseminate information, collaborate with Franchisees, discuss advertising and address other issues that may arise or later be specified by Liberty. Area Developer does not have any authority to approve or disapprove Franchisee marketing or advertising.

Indianapolis, IN DMA

Area Developer agrees to address reasonable company-owned store issues that may arise or be specified by Liberty. "Company-owned" refers to a store owned and operated by Liberty, an affiliate entity or an entity under the control of Liberty or any of its employees.

(b) **Customer Service.** Area Developer shall use best efforts to ensure that all Franchisees provide all appropriate services as outlined in the Franchisee Operations Manual and the Area Developer Operations Manual, abide by customer service policies issued by Liberty and timely respond to customer complaints and issues. Area Developer must operate in a manner that protects the goodwill, reputation of Liberty and the service marks and trademarks of Liberty (collectively "Marks").

(c) **Site Selection.** Area Developer shall provide site selection assistance in accordance with the Area Developer Operations Manual including, but not limited to, utilization of a company that we designate providing retail business intelligence solutions, and current Electronic Return Originator ("ERO") data. Final site selection must be approved by Liberty.

(d) **Franchisee Budgets, Profit and Loss Statements and Action Plans.** Area Developer shall review and approve Franchisee budgets, profit and loss statements, action plans and the Marketing Plan Generator for submission to corporate for final approval in accordance with the deadlines provided by Liberty.

(e) **Agreement Facilitation.** Area Developers shall review and facilitate Franchisee applications to Liberty for financing, transfers, fee releases, sales, terminations and the like, subject to final approval by Liberty.

(f) **Required Attendance.** Area Developer, or Area Developer's approved representative, shall attend area developer training and EOT within six months of closing. Additionally, Area Developer will attend all meetings that may be required by Liberty.

(g) **Manual.** Area Developer shall provide all assistance and support described in the Area Developer Operations Manual, the Operations Manual provided to Liberty Franchisees and Area Developers and all updates to these Manuals.

(h) **Contract Enforcement.** Upon termination or expiration of the franchise agreement between Liberty and any Franchisee (a "Former Franchisee"), Area Developer will assist Liberty in enforcing the post termination obligations set forth in its franchise agreement with that Former Franchisee ("Post Termination Obligations"), but Area Developer will have no duty to initiate court or other legal proceeding. These obligations include ensuring that all Liberty signs are removed from the Former Franchisee's offices or other premises, receiving or acquiring all telephone numbers, listings and advertisements used in relation to the Former Franchisee's business, receiving or acquiring all copies of lists and other sources of information containing the names of customers of the Former Franchisee, obtaining all Former Franchisee's customer tax returns, files, records and all copies thereof and obtaining all copies of the Former Franchisee's Operations Manual, including any updates, and performing other reasonable duties as may be assigned by Liberty to assist in the transition or closure of an office.

Indianapolis, IN DMA

(i) **Fair Dealing.** Area Developer must deal fairly with Liberty and Liberty's existing Franchisees, suppliers, partners, service providers, employees and anyone else with whom Area Developer has contact related to the rights and obligations granted herein. Area Developer shall not take unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of facts or any other unfair dealing practice.

1.3 **Liberty Obligations.**

(a) **Area Developer Operations Manual.** Liberty will provide an Area Developer Operations Manual and various updates to the Manual to provide requirements of operation and offer guidance in performing Area Developer services.

(b) **Initial and Advanced Training.** Liberty will provide reasonable training to Area Developer, at Area Developer's expense, in order to ensure that Area Developer has the ability to provide the services to Liberty described in Sections 1.1 and 1.2. At present, Liberty provides a three to four day initial Area Developer training course, which Area Developer and any manager working for Area Developer must attend and successfully complete within six months of closing. Liberty also requires Area Developer to attend EOT within six months of closing. Liberty may also provide and require Area Developer's attendance at advanced or other trainings that may be offered at select locations or Liberty may offer such training on the web or electronically. Although Liberty does not charge attendance at training, Area Developer must pay the cost incurred with traveling to training, and other incidental expenses such as food, lodging, and transportation incurred in attending any training that Liberty provides.

(c) **Disclosure Document.** Liberty will provide or make available to Area Developer its latest Franchise Disclosure Document to use as part of Area Developer's development services.

1.4 **Joint Duties.** Liberty and Area Developer will be responsible for the enforcement of all agreements ("Franchise Documents") executed in the awarding of a franchise to a Candidate and the monitoring of individual Franchisee performance and adherence to Liberty's Franchise system. However, Area Developer will not assert any legal claim by way of a lawsuit or otherwise, against a Franchisee without the written permission of Liberty.

1.5 **Personal Involvement.** Area Developer must render the Area Developer and support services hereunder personally, unless Area Developer submits to Liberty a general manager who attends and successfully completes Liberty's initial Area Developer training course and who is not later disapproved by Liberty. Area Developer acknowledges and agrees that Liberty shall not, and shall have no right or authority to, control Area Developer's employees. Liberty shall have no right or authority with respect to the hiring, termination, discipline, work schedules, pay rates or pay methods of Area Developer's employees. Area Developer acknowledges and agrees that all employees shall be Area Developer's exclusive employees and shall not be employees of Liberty nor joint employees of Area Developer and Liberty. Liberty neither dictates nor controls labor or employment matters for area developers and their employees.

Indianapolis, IN DMA

1.6 **Reports.** Area Developer agrees to file with Liberty, at such times and in such forms as Liberty may specify, reports detailing Area Developer's activities, sales and other information that may be requested.

1.7 **Reviews.** Liberty reserves the right to review Area Developer's business operations, in person, by mail, or electronically. Liberty may inspect Area Developer's operations and obtain paper and electronic business records related to the business and any other operations taking place through Area Developer's business. Area Developer must send Liberty any business records requested within five (5) business days of receiving Liberty's request for records and shall be responsible for any costs related to this transmission. Liberty has the right to require that Area Developer implement a plan to resolve any issues that Liberty discovers.

2. EXCLUSIVITY

2.1 **Exclusivity.** Except as otherwise permitted in this Agreement, Liberty will not appoint or authorize any other person to provide commissioned or paid Area Developer services to Liberty in the territory defined in Schedule A ("Territory"). This grant of the Territory in no way prevents or restricts Liberty from itself recruiting, soliciting or seeking new Franchisees in the Territory (including through the Internet or other means of general electronic communication) or from using unpaid referrals from other sources or as detailed in Section 2.2 in the obtaining of potential Franchisees. As indicated on Schedule A, the Territory has been divided into sub-territories ("Franchise Territories") as defined by Liberty, which will be made available to prospective Franchisees.

2.2 **Non-Area Developer-Proposed Franchisees.** If Liberty is referred, contacted by or comes into communication with any prospective Franchisee in the Territory not previously identified by Area Developer, Liberty may evaluate, recruit and award such prospective Franchisee a Franchise. Each such individual will be deemed a Franchisee for the purposes of this Agreement.

3. FEES AND COMMISSIONS

3.1 **Initial Fee.** Area Developer will pay Liberty \$ _____ upon execution of this Agreement, which shall be deemed fully earned by Liberty upon payment.

3.2 **Initial Franchise Fee.** Liberty will pay Area Developer, as detailed under Section 3.10, an amount equal to ____% of the initial franchise fee and interest on promissory notes, if and only to the extent that such interest is on franchise fees (except on interest already due and owing before the first of the month following the Effective Date of this Agreement), paid to Liberty by a Franchisee for a franchise within the Territory during the Term, pursuant to the terms in the franchise agreement between Franchisee and Liberty ("Franchise Fees") except amounts already due and owing before the first of the month following the Effective Date of this Agreement. Liberty will also pay to Area Developer the same percentage of any change fees for modifying the opening schedule of a multi-territory stipulation which a Franchisee in the Territory pays to Liberty during the Term, except change fees already due and owing before the first of the month following the Effective Date of this Agreement.

Indianapolis, IN DMA

3.3 **Franchise Royalties.** Pursuant to the franchise agreement between a Franchisee and Liberty, each Franchisee is required to pay royalties associated with the operation of a franchised territory ("Royalties"). Except as provided under Section 4.1, Liberty will pay Area Developer, as detailed under Section 3.10, an amount equal to _____% of all ongoing Royalties received by Liberty, if any, from a Franchisee in the Territory during the Term (except Royalties already due and owing before the first of the month following the Effective Date of the Area Developer Agreement.)

Liberty will also pay to Area Developer this same royalty percentage on company-owned stores in Area Developer's Territory if a Franchisee store becomes company-owned after the first of the month following the Effective Date of this Agreement. The royalty percentage payable to Area Developer shall be calculated as if the store were still a Franchisee store.

3.4 **Demand for Payment.** Except as authorized herein, or except upon the prior written consent of Liberty, Area Developer will not demand any payment due from a Liberty Franchisee or other person or entity to Liberty.

3.5 **Fee for Franchisee Prospects.** Liberty may provide to Area Developer leads of prospective Franchisees within the Territory. Area Developer may not opt out of receiving leads. Liberty will set fees based upon the cost and the difficulty of acquiring the leads and Area Developer agrees to pay such fees.

3.6 **Fee for Internal Sales.** If Liberty's own franchise development staff handles the selling process with a prospective Franchisee within the Territory covered by this Agreement for the sale of an undeveloped territory (meaning one that does not contain an existing Liberty Tax Service office), Area Developer shall pay Liberty 15% of the Franchise Fee (subject to a \$6,000 minimum or such other amount as is established pursuant to Section 3.5). Liberty may deduct this from amounts Liberty otherwise owes to Area Developer.

3.7 **Advertising and Selling Material.** Liberty may charge and Area Developer agrees to pay a reasonable charge for preparing, procuring, printing, and/or sending advertising materials and Disclosure Documents to Area Developer.

3.8 **Terminal Services.** Liberty may charge and Area Developer agrees to pay a reasonable charge for providing computer access to information within the Liberty system and for computer access to a sales lead and contact information management system.

3.9 **Use of Franchise Broker.** Liberty may use the services of franchise brokers to identify Candidates who are potentially interested in becoming Franchisees ("Franchise Broker"). To participate in this opportunity, Area Developer agrees to pay a proportionate share of the Broker's fee for any broker-generated Candidate who becomes a Franchisee in Area Developer's Territory. Area Developer's share of Broker's fee shall be based on the proportion of initial Franchise Fee and Royalties that Area Developer receives under Sections 3.2 and 3.3. For example, if a Broker charges Liberty \$13,000 for a Candidate who becomes a Franchisee, and Area Developer receives 35% of the initial Franchise Fee and Royalties under Sections 3.2

Indianapolis, IN DMA

and 3.3 above, then Area Developer's share of the initial Franchise Fee would be reduced by 35% of \$13,000 which amounts to \$4,550.

3.10 **Payment.** In any month that Liberty receives Franchise Fees, Royalties, interest on promissory notes for Franchise Fees (and such amounts are not already due and owing before the first of the month following the Effective Date of this agreement) from Franchisees in Area Developer's Territory, Liberty will pay Area Developer its share of these amounts not later than the last day of the next calendar month. In no case will Liberty advance funds to Area Developer, or be liable for payment on accounts receivables or unpaid Franchise Fees, Royalties or interest. Area Developer will be entitled to its share of Franchise Fees, Royalties and interest only with respect to amounts actually collected, and Liberty will be entitled to take credits against previous payments to Area Developer to the extent that any Franchise Fees, Royalty or interest payments from a Franchisee are subject to a subsequent refund, offset or other credit. Each payment of Area Developer's share of Royalties, Franchise Fees, and interest will be accompanied by information in sufficient detail to allow Area Developer to determine the basis on which Area Developer's share of the Royalties, Franchise Fees and interest was calculated.

3.11 **Late Fees.** Payments for charges Liberty bills to Area Developer are due within thirty (30) days of billing and will be subject to an 12% per annum late fee, or the maximum allowed by law if less.

3.12 **Fee Amounts.** From time to time, Liberty will set and publish the fee amounts under Sections 3.5 and 3.7-3.8.

3.13 **Expenses.** Except as provided herein, each party will bear the expenses incurred by it in the performance of this Agreement.

3.14 **Referral Fees.** Liberty may offer referral fees to individuals that refer new Franchisees to Liberty. These referral fees do not apply to Area Developer for Candidates that become Franchisees in Area Developer's Territory.

3.15 **Automatic Payment Transfer.** All of the revenue that Area Developer is to receive under the Area Developer Agreement, or any other agreement between Area Developer and Liberty or Liberty's affiliate entities, shall initially be paid to Liberty. Liberty will remit any remaining balance to Area Developer from the above described revenue after deducting monies Area Developer owes to Liberty, and deducting monies to hold for application to upcoming amounts due to Liberty including, but not limited to, unbilled amounts.

3.16 **Transfer Fee.** If Area Developer transfers its rights and obligations under this Agreement, or an interest in this Agreement that results in a change in control of the entity, Area Developer must pay to Liberty a transfer fee of \$10,000 at the time of transfer. This fee is subject to increase or decrease in future area developer agreements by the amount of change in the *Consumer Price Index – All Urban Consumers*, published by the U.S. Department of Labor, or a reasonably similar successor index, from the index as of the Effective Date.

4. MINIMUM AREA DEVELOPER PERFORMANCE

Indianapolis, IN DMA

4.1 **Minimum Requirements.** Area Developer will provide Liberty with a minimum number of Candidates each year that open Franchise Territories with an active Liberty office in operation, as described and set forth in Schedule B (the "Minimum Requirements"). For this purpose, a year will include each fiscal year of Liberty (including any partial year) ending on April 30.

If Area Developer does not meet the Minimum Requirements, Liberty may, upon notification to Area Developer within ninety (90) days of the end of the year wherein the requirements were not met, delete from the Territory up to the number of Franchise Territories by which Area Developer failed to meet the Minimum Requirements for that year. Liberty will only be entitled to delete Undeveloped Territories. Undeveloped Territories as used herein is defined as unsold territories which have not generated at least \$40,000 in Net Fees in any one of the two prior fiscal years. Net Fees as used herein is defined as all revenue from all services and products offered by the franchisee pursuant to the franchise agreement between the franchisee and Liberty (including, but not limited to, revenue from individual, corporate, estate and partnership tax returns) after approved deductions for customer discounts/refunds, send a friends and cash in a flash. Liberty's notice will designate which Undeveloped Territories it desires to delete from the Territory, and Liberty shall have the sole discretion in making this determination. The specified Undeveloped Territories will be deemed deleted from the Territory as of the date that Liberty sends notice to Area Developer. Area Developer will thereafter not be entitled to any share of Franchise Fees, Royalties or interest paid with respect to any current or future franchisee or company-owned store within the specified Undeveloped Territories and such territories will no longer be deemed a part of this Agreement. This deletion is Liberty's sole remedy for failure to meet Minimum Requirements.

5. FRANCHISOR — FRANCHISEE RELATIONSHIP

5.1 **Disclosure.** Area Developer will comply with all federal and state franchise disclosure laws applicable to the solicitation of Franchisees, including providing the current Disclosure Document, prepared by Liberty, to all Candidates within the time frame provided by law. In most jurisdictions, this disclosure is currently required fourteen (14) calendar days before the signing of a binding agreement between the Candidate and Liberty or any payment by the Candidate to Liberty. Area Developer will ensure that any disclosure made in any form complies with the applicable franchise disclosure laws. Area Developer will be responsible for providing Liberty's most current Disclosure Document, but will not be responsible for improper disclosure due to inadequacies or errors in Liberty's most current Disclosure Document.

5.2 **Financial Performance Representations.** Except as may be expressly stated in Item 19 of Liberty's most current Franchise Disclosure Document in effect in Area Developer's Territory, Area Developer will not make any representation, either orally, in writing, electronically, or otherwise, to any prospective Candidate concerning actual or potential earnings, sales, income or profits of any Franchise. However, Area Developer may disclose financial performance of an existing franchise for sale to a Candidate interested in such unit as may be permitted by law.

Indianapolis, IN DMA

5.3 **Improper Representations.** Area Developer will make no representations to any Candidate that conflicts with Liberty's current franchise agreement or Disclosure Document or make any promises, guarantees, or warranties to any party not authorized in writing by Liberty.

5.4 **No Unauthorized Commitments.** Area Developer acknowledges that it has no authority to bind Liberty with respect to any matter, and agrees that it will not enter into any agreements or understandings with any Candidates other than as authorized in writing by Liberty.

5.5 **Indemnity.** Area Developer will indemnify, defend and hold Liberty and its parent company, affiliates, officers, directors, members, partners, employees, agents, contractors, advisors and representatives (the "Indemnified Parties") harmless from and against any claim, suit or proceeding (including attorneys' fees and costs) brought against any of the Indemnified Parties resulting from, relating to or arising out of a claim that Area Developer failed to make proper disclosures under Section 5.1, made any improper earnings claim as detailed in Section 5.2, made any improper representations under Section 5.3, or entered into any unauthorized agreements under Section 5.4. Liberty will indemnify, defend and hold Area Developer and its affiliates, officers, directors, members, partners, employees, agents, contractors, advisors and representatives (the "Area Developer Indemnified Parties") harmless from and against any claim, suit, or proceeding brought against any of the Area Developer Indemnified Parties resulting from, relating to or arising out of a claim that Liberty failed to make proper disclosure under Section 5.1, made any improper earnings claim as detailed in Section 5.2, made any improper representations under Section 5.3, or entered into any unauthorized agreements under Section 5.4. Area Developer agrees to reasonable cooperation in the defense of any claim. The Indemnified Parties shall have the right to control settlement and selection of counsel and defense of any claim.

6. NON-COMPETE AND NO SOLICITATION

6.1 **Non-Compete.**

(a) **In-Term.** Area Developer will not, during the Term of this Agreement, in the United States or Canada, directly or indirectly (i) recruit, search for, or solicit franchisees or prospective franchisees to engage in any franchised business including, but not limited to, a franchised business offering income tax return preparation, electronic filing of tax returns, or the provision of refund anticipation loans, except as to seeking Liberty Tax Service franchisees pursuant to the terms of this Agreement or as otherwise may be authenticated in writing by Liberty, or (ii) aid or facilitate another person or entity (except Liberty Tax Service franchisees or as otherwise may be allowed by Liberty) in the provision of paid income tax preparation offered to the public through retail outlets.

(b) **Post-Term.** Area Developer will not, for a period of two years after expiration or termination of this Agreement, in the Territory defined in Schedule A regardless of any reduction due to application of Section 4.1 (the "Original Territory"), or within twenty-five (25) miles of the boundaries of the Original Territory, directly or indirectly recruit, search for, or solicit franchisees or prospective franchisees to engage in any franchised business including, but not limited to, a

Indianapolis, IN DMA

franchised business offering income tax return preparation, electronic filing of tax returns, or the provision of refund anticipation loans except, if applicable, in Area Developer's capacity as a Liberty Area Developer pursuant to a valid, Liberty Area Developer Agreement.

6.2 No Solicitation.

(a) **In-Term.** Except with the written permission of Liberty, Area Developer will not, during the term of this Agreement, in the United States or in Canada, directly or indirectly solicit for employment in a management or supervisory capacity, any management or supervisory personnel employed by Liberty, any management or supervisory personnel employed by a Liberty Tax Service franchisee, or any Liberty Tax Service franchisee, or in the case of a franchisee which is an entity, the owners of such entity.

(b) **Post-Term.** Except with the written permission of Liberty, Area Developer will not, for a period of two years after expiration, termination or transfer of this Agreement, in the Original Territory and within twenty-five (25) miles of the boundaries of the Original Territory, directly or indirectly solicit to own, operate, manage or supervise any franchised business including, but not limited to, an income tax preparation office or income tax preparation franchise, any management or supervisory personnel employed by Liberty, any management or supervisory personnel employed by a Liberty Tax Service franchisee, or any Liberty Tax Service franchisee, or in the case of a franchisee which is an entity, the owners of such entity, or any other entity beneficially owned by such owner or entity.

6.3 **Severability.** If any covenant or provision with Section 6.1 or 6.2 is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not affect or impair the validity of any other covenant or provision. Further, these obligations are considered independent of any other provision in this Agreement, and the existence of any claim or cause of action by either party to this Agreement against the other, whether based upon this Agreement or otherwise, shall not constitute a defense to the enforcement of these obligations.

7. TERM AND TERMINATION

7.1 **Term.** This Agreement will commence upon its Effective Date and will last for a term of six (6) years (the "Term").

7.2 **Renewal.** Upon the completion of the Term of this Agreement, provided Area Developer is in compliance with the terms and conditions in this Agreement and all other agreements with Liberty and Liberty's affiliates, Liberty will provide Area Developer with the right to enter into a new agreement with Liberty for the provision of services similar to those in this Agreement. If Area Developer wishes to renew this Agreement, Area Developer must notify Liberty in writing at least one hundred and eighty (180) days before the expiration of this Agreement. There will be no fee for the renewal, but Area Developer must execute a general release of all claims it may have against Liberty. Area Developer may also renew future Area Developer Agreements, if Area Developer is in compliance with the terms and conditions in such agreements, meets the other conditions therein for renewal, and renews by signing Liberty's then

Indianapolis, IN DMA

current Area Developer Agreement which may contain materially different terms. The fees and percentages described in Sections 3.2 and 3.3 above will not be reduced upon any renewal nor will the Territory be reduced, except as may be reduced due to failure to meet Minimum Requirements, as described in Section 4.1 above.

7.3 Termination.

(a) **Termination by Area Developer.** Area Developer may terminate this Agreement at any time through written notice of termination to Liberty. Area Developer's termination of this Agreement will be effective upon Liberty's receipt of Area Developer's termination notice.

(b) **Termination by Liberty Without Opportunity to Cure.** Liberty may terminate this Agreement effective upon the date of Liberty's sending written notice of termination to Area Developer, and without the opportunity for Area Developer to cure, for any of the following reasons:

- (i) Area Developer, or someone acting under Area Developer's supervision and control, commits a violation of any law, ordinance, rule or regulation of a government or governmental agency or department and such conduct constitutes a material violation of any franchise law, antitrust law or securities law, fraud or a similar wrong, unfair or deceptive practices, or a comparable violation of applicable law, commits any act that is or could be, in Liberty's determination, harmful, prejudicial or injurious to the Liberty brand or any of the Affiliated Companies or any employee, franchisee, area developer or agent of such companies, or if the IRS or any federal, state or local governmental entity or agency initiates a criminal, civil or administrative proceeding or takes any administrative action against Area Developer or the Area Developer Business relating to compliance with applicable tax laws and regulations or laws and regulations related to this Agreement and the Area Developer Business, and such proceeding or action is not resolved or dismissed in favor of Area Developer, or the Area Developer Business, within thirty (30) days of its initiation; or
- (ii) Area Developer violates any of Sections 5.1, 5.2, 5.3 or 5.4 of this Agreement; or
- (iii) Area Developer makes a misstatement of material fact on a Biographical Information Form, which is required in order to enter into this Area Developer Agreement, or the Sales Agent Disclosure Form Update, submits false reports to Liberty, knowingly maintains false books or records, or fails to disclose a material fact that is requested in any such form or report, or refuses to fill out or completely fill out such form or report, or tender supporting documentation upon reasonable request; or

Indianapolis, IN DMA

- (iv) Area Developer becomes insolvent, is unable to pay debts as they come due or take any steps to seek protection from creditors, or if a receiver (permanent or temporary) is appointed by a creditor or a court of competent authority, or Area Developer makes a general assignment for the benefit of creditors.

(c) **Termination by Liberty After Opportunity to Cure.** Liberty may terminate this Agreement if Area Developer fails to perform any obligation under this Agreement or any other Agreement between the parties or between Area Developer and Liberty's affiliates ("Breach") and such failure has continued for thirty (30) days after Liberty sent written notice of such Breach to Area Developer. Additionally, Liberty may terminate this Agreement if Area Developer commits any of the following breaches and such breach is not cured within fourteen (14) days after Liberty sends written notice of such breach to Area Developer:

- (i) Any amount owing to Liberty Liberty's parent company or affiliate entities (collectively, "Liberty Companies"), whether related to the Territory or not, is more than thirty (30) days past due, or Liberty determines that Area Developer has materially and substantively underreported revenue; or
- (ii) Area Developer abandons active operation of the business; or
- (iii) Area Developer fails to provide notification of Area Developer's desire to renew within the time and manner provided for in Section 7.2 of this Agreement; or
- (iv) Area Developer commits three or more breaches of this Agreement, or any other agreement with Liberty or the Liberty Companies to which Area Developer is a party, within any twelve (12) month period.

7.4 **No Refund of Initial Fee.** Liberty will have no obligation to return or refund any fee to Area Developer upon termination, cancellation, expiration, transfer of this Agreement, or exercise by Liberty of the rights provided by Section 4 and Area Developer will remain liable to Liberty for all amounts owed to Liberty.

7.5 **Survival of Obligations.** The Parties' obligations that by their nature may require performance after the termination or expiration of this Agreement, including, but not necessarily limited to, Sections 3.11, 5.5, 6, 7.4, 7.5, and 8-11, will survive the termination or expiration of this Agreement. Upon the termination or expiration of this Agreement, sale of this Agreement or sale or other transfer of Area Developer's business operated under this Agreement, Liberty will have no further obligation to pay Area Developer any share of Franchise Fees, Royalties or interest received by Liberty subsequent to the date of termination or expiration.

8. MISCELLANEOUS

8.1 **Relationship.** Notwithstanding anything herein to the contrary, this Agreement does not create a partnership, company, joint venture, or any other entity or similar legal relationship between the parties, and no party has a fiduciary duty or other special duty or

Indianapolis, IN DMA

relationship with respect to the other party. The parties acknowledge that Area Developer's relationship with Liberty hereunder is that of an independent contractor.

8.2 **Intellectual Property Ownership.** Liberty owns the Franchise system, its trademarks and all other intellectual property associated with the Franchise system. To the extent Area Developer has or later obtains any intellectual property, other property rights or interests in the Franchise system by operation of law or otherwise, Area Developer hereby disclaims such rights or interests and will promptly assign and transfer such entire interest exclusively to Liberty. Area Developer will not undertake to obtain, in lieu of Liberty, copyright, trademark, service mark, trade secret, patent rights or other intellectual property right with respect to the Franchise system. Area Developer will have the right to use Liberty's Marks during the Term for the sole purpose of advertising the availability of Franchises within the Territory, but Area Developer must obtain Liberty's prior written consent to such use, which consent may be withheld in Liberty's sole discretion.

8.3 **Trade and Domain Names.** Area Developer will not use the word "JTH," "LTS," "Dona Libertad," "Liberty," "Libtax", "Siempre", "SiempreTax," "SiempreTax+", "360", "360 Accounting" or the name, or any portion of the name of Liberty's affiliate entities, as any part of the name of a corporation, LLC or other entity (except as may be agreed between Area Developer and Liberty's affiliate entity in a separate franchise agreement with such affiliate entity). Further, unless Area Developer first receives Liberty's express written permission, Area Developer will not obtain or use any domain name (Internet address) in connection with the provision of services under this Agreement or to facilitate any efforts to find, solicit and recruit Candidates.

8.4 **Assignment.** Liberty may assign this Agreement to an assignee who agrees to remain bound by its terms. Liberty does not permit a sub-license of the Agreement. Area Developer's interest under this Agreement may be transferred or assigned only if Area Developer complies with the provisions in this Section. No interest may be transferred unless Area Developer is in full compliance with this Agreement and current in all monies owed to Liberty. Upon Liberty's request, any transfer of an ownership interest in this Agreement must be joined by all signatories to this Agreement, except in the case of death or legal disability.

(a) **Liberty's Right of First Refusal.** If Area Developer has received and desires to accept a signed, bona fide offer to purchase or otherwise transfer the Area Developer Agreement or any interest in it, Liberty shall have the option (the "Right of First Refusal") to purchase such interest as hereinafter provided. Within fourteen (14) days of receipt of the offer, Area Developer shall offer the Right of First Refusal to Liberty by providing written notice to Liberty which shall include a copy of the signed offer to purchase that Area Developer received ("Notice"). Liberty shall have the right to purchase the Area Developer Agreement or interest in the Area Developer Agreement for the price and upon the terms set out in the Notice, except that Liberty may substitute cash for any non-cash form of payment proposed and Liberty shall have sixty (60) days after the exercise of Liberty's Right of First Refusal to close the said purchase. Liberty will notify Area Developer in writing within fifteen (15) days of its receipt of the Notice if it plans to exercise the Right of First Refusal. Upon the transmission of notice by Liberty, there shall immediately arise between Liberty

Indianapolis, IN DMA

and Area Developer, or its owners, a binding contract of purchase and sale at the price and terms contained in the Notice previously provided by Area Developer.

(b) **Transfer to Controlled Entity.** A transfer to a "Controlled Entity" shall not trigger the Right of First Refusal. A "Controlled Entity" is an entity in which Area Developer (or Area Developer's managers, members, owners, partners, shareholders or officers as of the date of this Agreement) is the beneficial owner of 100% of each class of voting ownership interest. At the time of the desired transfer of interest to a Controlled Entity, Area Developer must notify Liberty in writing of the name of the Controlled Entity and the name and address of each officer, director, shareholder, member, partner, or similar person and their respective ownership interest, and provide Liberty with the applicable organizational documents of the business entity. Each such person of the Controlled Entity shall sign, on behalf of the business entity and in their respective individual capacity, the amendment and release forms and/or area developer agreement as required by Liberty at the time of transfer. Currently, Liberty does not charge a transfer fee for this type of transaction.

(c) **Transfer of Interest Within Area Developer.** A transfer of interest within an Area Developer that is an entity shall not trigger the Right of First Refusal provided that only the percentage ownership is changing and not the identity of the owners. At the time of the desired transfer of interest within an entity, Area Developer must notify Liberty in writing of the name and address of each officer, director, shareholder, member, partner or similar person and their respective ownership interest prior to and following the proposed transfer and provide Liberty with the applicable organizational documents of the business entity. Each such person of the Controlled Entity shall sign, on behalf of the business entity and in their individual capacity, the amendment and release forms and/or area developer agreement as required by Liberty at the time of transfer. Further, if the transfer of interest results in a change in control of the entity, Area Developer must pay to Liberty the transfer fee required at the time of transfer.

(d) **Right of First Refusal Not Exercised By Liberty.** If Liberty does not exercise the Right of First Refusal, Area Developer may transfer the Area Developer Agreement or ownership interest therein according to the terms set forth in the Notice, provided that Area Developer satisfies the conditions in Section 8.4(e) and completes the sale within ninety (90) days from the date that Liberty received Notice from Area Developer. If Area Developer does not conclude the proposed sale transaction within this 90-day period, the Liberty's Right of First Refusal shall continue in full force and effect.

(e) **Additional Requirements and Obligations for Transfer.**

- i) The proposed transferee(s) must complete Liberty's Area Developer application and pass Liberty's application screening in place at the time of transfer.
- ii) The proposed transferee(s) must sign the Liberty amendment forms and/or the then current Area Developer Agreement and must personally assume and be bound by all of the terms, covenants and conditions therein.
- iii) The proposed transferee(s) must attend and successfully complete Area Developer Training.

Indianapolis, IN DMA

- iv) Area Developer shall sign Liberty's transfer and release forms required by Liberty at the time of transfer and pay to Liberty a transfer fee of \$10,000.00.

8.5 **Publicity.** Except as required by law, Area Developer may not make any press release or other public announcement involving the subject matter of this Agreement without the written agreement of Liberty as to the form of such press release or public announcement.

8.6 **Operations Manual, Specifications, and Equipment.** Liberty may issue specifications to guide Area Developer in the provision of Services hereunder. Liberty has an Area Developer Operations Manual that Area Developer agrees to follow. Liberty may issue computer and equipment requirements. At present, Area Developer is required to have business cards, a telephone and telephone line, printer, fax service and computer connected via internet to Liberty's computer network. Liberty also requires Area Developer to use an appropriate sales lead and contact information database or software to keep track of Area Developer's contacts with prospective Franchisees and may issue recommendations or requirements in this regard. Liberty may change Liberty's Area Developer Operations Manual and modify Liberty's specifications in order to maintain competitiveness, adjust for legal, technological, and economic changes, and to improve in the marketplace. Area Developer agrees to be bound by all future changes.

8.7 **Maintenance of Liberty Goodwill.** Area Developer agrees not to disparage Liberty, Liberty's parent company or affiliate entities or their current and former employees or directors. During the term of this Agreement, Area Developer also agrees not to do any act harmful, prejudicial, or injurious to any or all of the Liberty Companies.

8.8 **Governing Law.**

(a) **Virginia Law.** This Agreement is effective upon its acceptance in Virginia by Liberty's authorized officer. Virginia law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties hereto. However, the Virginia Retail Franchising Act does not apply to any claims by or on Area Developer's behalf if the Territory shown on Schedule A below is located outside of Virginia.

(b) **Jurisdiction and Venue.** In any suit brought by any or all of the Liberty Companies, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, Area Developer consents to venue and personal jurisdiction in the state court in the city or county where Liberty's national office is located and the federal courts located in the State where Liberty's national office is located (presently Virginia Beach, Virginia state courts and the United States District Courts located in the Commonwealth of Virginia). In any suit brought against any or all of the Liberty Companies, including present and former employees and agents of the Liberty Companies, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, venue shall be proper only in the federal courts located in the State where Liberty's national office is located (presently, the United States District Courts located in the Commonwealth of Virginia.) or if neither federal subject matter nor diversity jurisdiction exists, in

Indianapolis, IN DMA

the state court located in the city or county where Liberty's National Office is located (presently the City of Virginia Beach, Virginia).

(c) **Jury Waiver.** In any trial between Area Developer and any or all of the Liberty Companies, including present and former employees and agents of Liberty, Liberty's parent company or any affiliate entity, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, Area Developer and Liberty waive their respective rights to a jury trial and agree to have such action tried by a judge.

(d) **Class Action Waiver.** Area Developer agrees that any claim Area Developer may have against any or all of the Liberty Companies, including past and present employees and agents of the Liberty Companies, shall be brought individually and Area Developer shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against any or all of the Liberty Companies.

(e) **No Punitive Damages.** In any lawsuit, dispute or claim between or against Area Developer and any or all of the Liberty Companies, including present and former agents and employees of the Liberty Companies, Area Developer and Liberty waive their respective rights, if any, to seek or recover punitive or exemplary damages.

(f) **Attorneys' Fees and Costs.** Area Developer agrees to reimburse the Liberty Companies for all expenses reasonably incurred (including attorneys' fees and costs): (i) to enforce the terms of this Agreement or any obligation owed to any or all of the Liberty Companies by Area Developer (whether or not the Liberty Companies initiate the legal proceeding, unless the Liberty Companies initiate and fail to substantially prevail in such court or formal legal proceeding); and (ii) in the defense of any claim Area Developer asserts against us on which the Liberty Companies substantially prevail in court or other formal legal proceedings.

(g) **Anti-Terror.** Area Developer represents and warrants that no Area Developer signatory to this Agreement is identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx). Further, Area Developer represents and warrants that no Area Developer signatory to this Agreement has violated, and agrees not to violate, any law prohibiting corrupt business practices, money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person or government, including acts prohibited by the U.S. Patriot Act, U.S. Executive Order 13224, or any similar law. The foregoing constitutes continuing representations and warranties, and Area Developer shall immediately notify Liberty in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

8.9 **Severability.** If any one or more of the provisions in this Agreement or any application of such provision is held to be invalid, illegal or unenforceable in any respect by a competent tribunal, the validity, legality and enforceability of the remaining provisions in this

Indianapolis, IN DMA

Agreement and all other applications of the remaining provisions will not in any way be affected or impaired by such invalidity, illegality or unenforceability. Further, the obligations within Section 6 above are considered independent of any other provision in this agreement, and the existence of any claim or cause of action by either party to this agreement against the other, whether based upon this agreement or otherwise, shall not constitute a defense to the enforcement of these obligations.

8.10 **Notices.** Any notice, authorization, consent or other communication required or permitted under this Agreement must be made in writing and shall be given by mail or courier, postage fully prepaid, or delivered personally, to Liberty's CEO, at Liberty's National Office, presently 1716 Corporate Landing Parkway, Virginia Beach, Virginia 23454, Telephone: (757) 493-8855. Any such notice may also be given to Area Developer in the same manner at the address indicated below the Area Developer's signature on this Agreement or such other more current address as Liberty may have on file for Area Developer. Liberty may also give notice to Area Developer by e-mail.

8.11 **Burdens and Benefits.** This Agreement will be binding upon and will inure to the benefit of the parties, their successors and assigns, as permitted hereunder.

8.12 **Entire Agreement.** This Agreement, including the Schedules, is the entire agreement between Area Developer and Liberty with respect to the subject matter contained herein. This Agreement supersedes all other prior oral and written agreements and understandings between Area Developer and Liberty with respect to the subject matter herein. However, nothing in this or any related agreement is intended to disclaim the representations Liberty made in the area developer disclosure document Liberty furnished to Area Developer.

8.13 **Amendment and Waiver.** No amendment, change, or modification of this Agreement and no waiver of any right under this Agreement will be effective unless in a written document that is signed by an authorized representative of each party. No failure to exercise and no delay in exercising any right under this Agreement will operate as a waiver.

8.14 **Financing.** If Liberty provides financing, Area Developer must submit annual financial information to Liberty including, but not limited to, income statements, balance sheets, and supporting documents. Area Developer agrees to submit the required information at the time and in the format specified by Liberty.

9. DEATH OR INCAPACITY

9.1 **Assistance and Reimbursement.** In the event of the death or incapacity of Area Developer, Liberty is entitled, but not required, to render assistance to maintain smooth and continued provision of Services. Liberty shall be entitled to reimbursement from Area Developer or Area Developer's estate for reasonable expenditures incurred.

9.2 **Required Time Frames.** Pursuant to this Section, death or incapacity shall not be grounds for termination of this Agreement unless either:

Indianapolis, IN DMA

(a) Area Developer or his/her legal representative fails for a period of one hundred and eighty (180) days after such death or incapacity to commence action to assign this Agreement according to controlling state law regarding the affairs of a deceased or incapacitated person and the terms of this Agreement; or,

(b) Such assignment is not completed within one year after death or incapacity.

9.3 **Termination for Death or Incapacity.** Liberty shall have the right to terminate this Agreement if one of the conditions in Section 9.2 is not satisfied within the time frame provided. Nothing in this Section shall be construed to limit the provisions of Section 7 regarding termination. Further, the terms and conditions of Section 8.4 above apply to a transfer upon death or incapacity, in the same manner as such terms and conditions apply to any other transfer to a non-Affiliate.

10. CONFIDENTIAL INFORMATION

10.1 **Disclosure.** Liberty possesses confidential information including, but not limited to, methods of operation, service and other methods, techniques, formats, specifications, procedures, information, system, customer information, marketing information, trade secrets, intellectual property, knowledge of and experience in operating and franchising offices, operating as an Area Developer ("Confidential Information"). Liberty may disclose some or all of the Confidential Information (oral, written, electronic, or otherwise) to Area Developer and Area Developer's representatives. During the term of this Agreement and following the expiration or termination of this Agreement, Area Developer covenants not to directly or indirectly communicate, divulge, or use Confidential Information for its benefit or the benefit of any other person or legal entity except as specifically provided by the terms of this Agreement or permitted by Liberty in writing. Upon the expiration, termination or nonrenewal of this Agreement, Area Developer agrees that it will never use or disclose, and will not permit any of its representatives to use or disclose, our Confidential Information in any manner whatsoever, including, without limitation, in the design, development or operation of any business which provides services substantially similar to those stated herein. This provision shall not apply to information that: (a) at the time of disclosure is readily available to the public; (b) after disclosure becomes readily available to the trade or public other than through breach of this Agreement; (c) is subsequently lawfully and in good faith obtained by Area Developer from an independent third party without breach of this Agreement; (d) was in Area Developer's possession prior to the date of Liberty's disclosure to Area Developer; or (e) is disclosed to others in accordance with the terms of a prior written authorization between Area Developer and Liberty. The protections granted in this Section shall be in addition to all other protections for Confidential Information provided by law or equity.

10.2 **Interest.** Area Developer will acquire no interest in Liberty's Confidential Information but is provided the right to use the Confidential Information disclosed for the purposes of developing and operating pursuant to this Agreement. Area Developer acknowledges that it would be an unfair method of competition to use or duplicate any Confidential Information other than in connection with the operation under this Agreement. No part of the Liberty franchise system nor any document or exhibit forming any part thereof shall be

Indianapolis, IN DMA

distributed, utilized or reproduced in any form or by any means, without our prior written consent.

10.3 **Use In Term.** Area Developer agrees that it will (a) refrain from using the Confidential Information for any purpose other than the operation pursuant to this Agreement; (b) maintain absolute confidentiality of Confidential Information during and after the term of this Agreement; (c) not make unauthorized copies of any portion of Confidential Information; and (d) adopt and implement all reasonable procedures, including but not limited to, those required by Liberty, to prevent unauthorized use of or disclosure of Confidential Information, including but not limited to, restrictions on disclosure to employees of Area Developer and the use of nondisclosure and non-competition clauses in employment agreements with employees that have access to Confidential Information.

10.4 **Use Following Term.** Upon termination of this Agreement, Area Developer will return to Liberty all Confidential Information embodied in tangible form, and will destroy, unless otherwise agreed, all other sources which contain or reflect any such Confidential Information. Notwithstanding the foregoing, Area Developer may retain Confidential Information solely for insurance, warranty, claims and archival purposes, but the information retained will remain subject at all times to the confidentiality restrictions of this Agreement.

11. COUNTERPARTS AND ELECTRONIC SIGNATURE

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (e.g. "pdf") format shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," and words of similar import in the Agreement shall be deemed to include electronic or digital signatures or the keeping of records in electronic form, each of which shall be of the same effect, validity and enforceability as manually executed signatures or a paper-based recordkeeping system, as the case may be, to the extent and as provided for under applicable law, including the Electronic Signatures in Global and National Commerce Act of 2000 (15 USC § 7001 et seq.) or any other similar state or federal laws.

12. HEADINGS

The headings of the various sections of this Agreement have been inserted for reference only and shall not be deemed to be a part of this Agreement.

Indianapolis, IN DMA

13. AGREEMENT

The Area Developer named at the top of the following page agrees to abide by the terms of this Agreement. The Area Developer signature of an individual or individuals constitutes their personal agreement to such terms. The Area Developer signature of an individual or individuals on behalf of an entity constitutes the entity's agreement to such terms.

The individual signators signing on behalf of area developer also agree jointly and severally to perform all the obligations in and relating to this Agreement, including, but not limited to, all obligations related to the covenants not to compete, covenants not to solicit, confidentiality obligations, obligations to make payments specified herein, pay any other promissory notes and other debts due to Liberty, pay for products later ordered from Liberty and the obligations stated in **Section 8.8 above concerning governing law, including, but not limited to, the application of Virginia law, the jurisdiction and venue clause, the jury waiver, the class action waiver, and the limitation to compensatory damages only.** If the Area Developer Agreement is held in the name of a business entity and it is later determined by Liberty that the entity is no longer valid or in good standing with the laws of the applicable state of organization or that an individual has been removed as a part of the business entity pursuant to applicable state law or otherwise, Liberty shall have the right to modify the Area Developer Agreement to reflect the then current business structure with the signatures of only those that remain as valid members, officers, partners, directors or sole proprietor of the then current business structure. All Area Developer signators specifically agree to indemnify and hold Liberty harmless related to the removal of parties under this provision. All signators on the following page waive any right to presentment, demand or notice of non-performance and the right to require Liberty to proceed against the other signators. Except as specified herein, no person or entity is a third-party beneficiary of this Agreement.

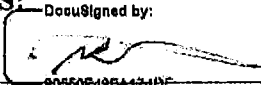
Signatures on Following Page.

Indianapolis, IN DMA

Area Developer: Mike Budka and Mufeed Haddad

Entity Number: 4711

SIGNATORS:

By: 
(Signature)

Mike Budka

(Printed Name)

Title: _____

Address: 375 CAMEO WAY

BREA CA 92823

Ownership Percentage: _____%

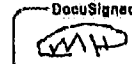
By: _____
(Signature)

(Printed Name)

Title: _____

Address: _____

Ownership Percentage: _____%

By: 
(Signature)

Mufeed Haddad

(Printed Name)

Title: _____

Address: 4045 humboldt ln

yorba linda, ca. 92886

Ownership Percentage: _____%

By: _____
(Signature)

(Printed Name)

Title: _____

Address: _____

Ownership Percentage: _____%

**JTH TAX, INC. d/b/a
LIBERTY TAX SERVICE**

By: 

Printed Name: _____

Title: _____

Effective Date: 7/13/13

Indianapolis, IN DMA

**SCHEDULE A TO THE AREA DEVELOPER AGREEMENT
TERRITORY**

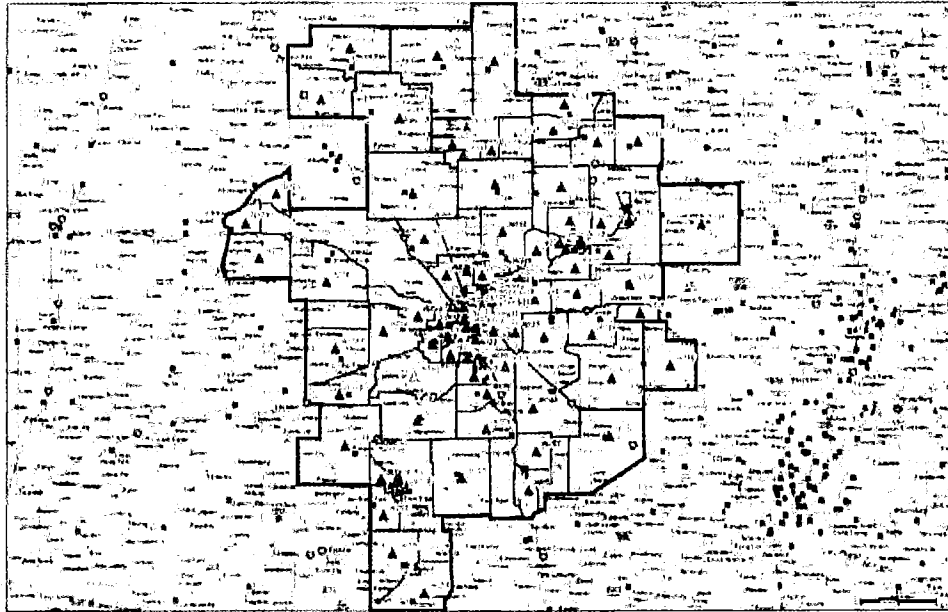
Indianapolis, IN DMA

TERRITORY

The counties of :

White, IN
Cass, IN
Miami, IN
Carroll, IN
Howard, IN
Grant, IN
Blackford, IN
Clinton, IN
Tipton, IN
Fountain, IN
Montgomery, IN
Boone, IN
Hamilton, IN
Madison, IN
Delaware, IN
Randolph, IN
Putnam, IN
Hendricks, IN
Marion, IN
Hancock, IN
Henry, IN
Morgan, IN
Johnson, IN
Shelby, IN
Rush, IN
Fayette, IN
Owen, IN
Monroe, IN
Brown, IN
Bartholomew, IN
Decatur, IN
Lawrence, IN

Currently divided by JTH Tax, Inc. into 100 Franchise Territories.



Schedule B

MINIMUM REQUIREMENTS

At closing there are 25 JTH Tax, Inc. d/b/a Liberty Tax Service (“Liberty”) franchise territories with an active Liberty office currently within Area Developer’s Territory, and operating pursuant to franchise agreements by and between Liberty and each Franchisee that is a party to a franchise agreement (“existing active territories”). Area Developer agrees to maintain the number of existing active territories and agrees to identify and secure additional candidates/Franchisees such that the following cumulative minimum development obligations are met during the term of the Area Developer Agreement:

Development Period Ending	Cumulative Number of Liberty Tax Service Effective Franchise Agreements in Operation with an Active Liberty Office
2019	27
2020	30
2021	33
2022	38
2023	43
2024	48
2025	53
2026	58
2027	63
2028	68

**INDIANA ADDENDUM
TO THE AREA DEVELOPER AGREEMENT**

This Addendum forms a part of the Area Developer Agreement dated _____, between Liberty Tax Service and Mike Budka and Mufeed Haddad, the Area Developer. To the extent this Addendum shall be deemed to be inconsistent with any of the terms or conditions of the Area Developer Agreement or its Exhibits, the terms of this Addendum shall govern.

1. Section 5.5 of the Area Developer agreement is supplemented with the addition of the following language: "Notwithstanding the foregoing, you do not indemnify us for liability caused by your proper reliance on or use of procedures or materials provided by us or caused by our negligence."

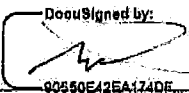
2. Section 7.2 of the Area Developer agreement is modified to provide that upon renewal you will not be required to release us as to any liabilities arising under Indiana Code § 23-2-2.7.

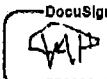
3. Section 7.2 concerning Renewal is modified to delete the requirement that Area Developer must give Liberty a general release to renew.

4. Section 8.8 concerning Governing Law is deleted and in its place is substituted the following language:


1. "You agree to bring any claim against us, including our present and former employees, agents, and affiliates, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association."

**AREA DEVELOPER:
Mike Budka and Mufeed Haddad**

By:  _____
Mike Budka

By:  _____
Mufeed Haddad

**JTH TAX, INC. d/b/a
LIBERTY TAX SERVICE**

By:  _____
Printed Name: _____

Title: _____

SCHEDULE "C" TO THE AREA DEVELOPER AGREEMENT

Special Stipulation to the Area Developer Agreement- Term

To the extent of any conflict between the following and the provisions of the Area Developer Agreement ("Agreement") between Area Developer and JTH Tax, Inc. d/b/a Liberty Tax Service ("Liberty"), the Special Stipulation shall control:

The following language is removed from Section 7.1 of the Area Developer Agreement:

Term. This Agreement will commence upon its Effective Date and will last for a term of six (6) years (the "Term").

And is replaced with the following:

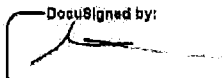
Term. This Agreement will commence upon its Effective Date and will last for a term of ten (10) years (the "Term").

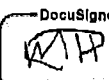
By executing this Agreement, you, your officers and principles, individually and on behalf of all heirs, legal representatives, successors and assigns, and each assignee of this agreement by accepting assignment of the same, hereby forever releases and discharges Liberty, its past and present employees, agents, officers, area developers, directors, its subsidiary and affiliated corporations and franchisees, their respective past and present employees, agents, officers, directors, from any and all claims which could be asserted by you against any such persons and entities through the date of this Agreement, except obligations set forth or re-affirmed herein.

This Stipulation may be executed in counterparts, each of which shall constitute an original, but all taken together shall constitute a single instrument. Delivery of an executed counterpart of a signature page to this Stipulation by facsimile or in electronic (e.g. "pdf") format shall be effective as delivery of a manually executed counterpart of this Stipulation. The words "execution," "signed," "signature," and words of similar import in the Stipulation shall be deemed to include electronic or digital signatures or the keeping of records in electronic form, each of which shall be of the same effect, validity and enforceability as manually executed signatures or a paper-based recordkeeping system, as the case may be, to the extent and as provided for under applicable law, including the Electronic Signatures in Global and National Commerce Act of 2000 (15 USC § 7001 et seq.) or any other similar state or federal laws.

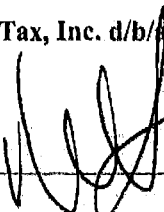
Except as modified by this Special Stipulation, the terms of the Area Developer Agreement remain in full force and effect. This Special Stipulation supersedes any prior similar Special Stipulation between the parties with respect to this subject matter.

Area Developer:
Mike Budka and Mufeed Haddad

By: 
DocuSigned by:
90320E42EA174DF
Mike Budka

By: 
DocuSigned by:
6F290D4A9905474
Mufeed Haddad

JTH Tax, Inc. d/b/a Liberty Tax Service

By: 
Printed Name: _____

Title: _____

Effective Date: _____

Effective Date: 7/13/18

SPECIAL STIPULATION TO THE LIBERTY AREA DEVELOPER AGREEMENT

To the extent of any conflict between the following and the provisions of the Area Developer Agreement ("Area Developer Agreement"), the Special Stipulation shall control:

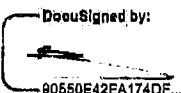
- 1. Section 7.2 of the JTH Tax, Inc. d/b/a Liberty Tax Service ("Liberty") Area Developer Agreement is hereby deleted and replaced with the following:

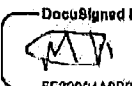
Renewal. Upon the completion of the Term of this Agreement, provided Area Developer with the right to enter into a new agreement with Liberty for the provision of the services to Liberty similar to those in this Agreement. If Area Developer wishes to renew this Agreement, Area Developer must notify Liberty in writing at least 180 days before the expiration of this Agreement. There will be no fee for the renewal, but Area Developer must execute a general release of all claims it may have against Liberty. Area Developer may also renew future Area Developer Agreements, if Area Developer is in compliance with the terms and conditions in such agreements, meets the other conditions therein for renewal, and renews by signing our then current Area Developer Agreement. The fees and percentages described in paragraphs 3.2 and 3.3 above will not be reduced upon any renewal nor will the Territory be reduced, except as may be reduced due to failure to meet Minimum Requirements, as described in paragraph 4.1 above.

By executing this Agreement, you, your officers and principles, individually and on behalf of all heirs, legal representatives, successors and assigns, and each assignee of this agreement by accepting assignment of the same, hereby forever releases and discharges Liberty, its past and present employees, agents, officers, area developers, directors, its subsidiary and affiliated corporations and franchisees, their respective past and present employees, agents, officers, directors, from any and all claims which could be asserted by you against any such persons and entities through the date of this Agreement, except obligations set forth or re-affirmed herein.

This Special Stipulation supersedes any prior similar Special Stipulation between the parties with respect to this subject matter. Except to the extent modified above, the terms of the Area Developer Agreement remain in full force and effect unless otherwise modified in writing signed by the parties.

**Area Developer:
Mike Budka and Mufeed Haddad**

By:  _____
Mike Budka

By:  _____
Mufeed Haddad

**JTH TAX, Inc. d/b/a
LIBERTY TAX SERVICE**

By:  _____

Printed Name: _____

Title: _____

Effective Date: 7/13/18

**SPECIAL STIPULATION TO THE LIBERTY AREA DEVELOPER AGREEMENT
LEADS**

To the extent of any conflict between the following and the provisions of the Area Developer Agreement ("Area Developer Agreement"), the Special Stipulation shall control:

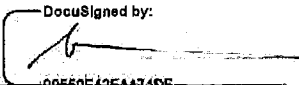
1. Section 3.5 of the JTH Tax, Inc. d/b/a Liberty Tax Service ("Liberty") Area Developer Agreement is hereby deleted and replaced with the following:

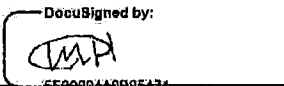
Fee for Franchisee Prospects. From time to time, Liberty may provide to Area Developer leads of prospective franchisees possibly interested in buying a Liberty franchise within the Territory. If Liberty provides any such leads to Area Developer, Liberty will set fees from time to time based upon the cost and the difficulty of acquiring the leads. If so provided, Area Developer agrees to purchase up to \$6,500 of leads per year, and may purchase more if offered, but is not obligated to.

By executing this Agreement, you, your officers and principles, individually and on behalf of all heirs, legal representatives, successors and assigns, and each assignee of this agreement by accepting assignment of the same, hereby forever releases and discharges Liberty, its past and present employees, agents, officers, area developers, directors, its subsidiary and affiliated corporations and franchisees, their respective past and present employees, agents, officers, directors, from any and all claims which could be asserted by you against any such persons and entities through the date of this Agreement, except obligations set forth or re-affirmed herein.

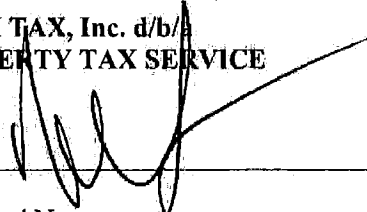
This Special Stipulation supersedes any prior similar Special Stipulation between the parties with respect to this subject matter. Except to the extent modified above, the terms of the Area Developer Agreement remain in full force and effect unless otherwise modified in writing signed by the parties.

**Area Developer:
Mike Budka and Mufeed Haddad**

DocuSigned by:
By: 
90560E42EA174DF...

DocuSigned by:
By: 
5F29804A8895474...

**JTH TAX, Inc. d/b/a
LIBERTY TAX SERVICE**

By: 

Printed Name: _____

Title: _____

Effective Date: 7/13/18


Acknowledgment of Early Renewal of Area Developer Agreement

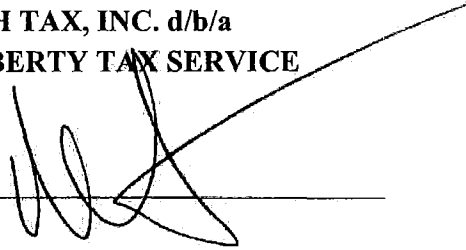
The undersigned Area Developer acknowledges that the Area Developer Agreement entered into by and between Area Developer and JTH Tax, Inc. d/b/a Liberty Tax Service dated April 20, 2007 was for a ten (10) year term which was extended to a twelve year term via a Special Stipulation dated August 5, 2010, and is now set to expire on April 20, 2019. The parties hereby acknowledge, desire, and consent to the early renewal of the Area Developer Agreement and enter into a new Area Developer Agreement for a ten (10) year term commencing on the effective date of this Agreement. The parties acknowledge that they are under no obligation to renew the Area Developer Agreement at this earlier date and desire and do so of their own free will. Area Developer further acknowledges that Area Developer has been accorded ample time and opportunity to consult with advisors of its own choosing about renewing the Area Developer Agreement pursuant to this Acknowledgement.

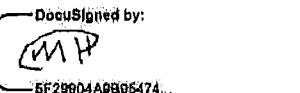
Area Developer and all of Area Developer’s guarantors, members, employees, agents, successors, assigns and affiliates fully and finally release and forever discharge JTH Tax, Inc. d/b/a Liberty Tax Service, its past and present agents, employees, officers, directors, area developers, successors, assigns and affiliates (collectively “Liberty Released Parties”) from any and all claims, actions, causes of action, contractual rights, demands, damages, costs, loss of services, expenses and compensation which Area Developer could assert against the Liberty Released Parties or any of them up through and including the date of this Renewal and Release, including, but not limited to, any claim related to the early renewal of the Area Developer Agreement.

AREA DEVELOPER:
Mike Budka and Mufeed Haddad

JTH TAX, INC. d/b/a
LIBERTY TAX SERVICE

By: 
Mike Budka

By: 
Printed Name: _____

By: 
Mufeed Haddad

Title: _____
Date: 7/13/18

SPECIAL STIPULATION TO THE LIBERTY AREA DEVELOPER AGREEMENT

To the extent of any conflict between the following and the provisions of the Area Developer Agreement (“Area Developer Agreement”), the Special Stipulation shall control:

1. Section 3.1 of the JTH Tax, Inc. d/b/a Liberty Tax Service (“Liberty”) Area Developer Agreement is hereby deleted and replaced with the following:

Initial fee paid by Area Developer to Liberty in the Area Developer Agreement dated April 20, 2007 was \$2,395,000. Area Developer will pay Liberty no additional development fees upon renewal of said agreement, all or any debt still owed under said Agreement will remain in effect upon execution of this Agreement, which shall be deemed fully earned by Liberty upon payment.

2. Section 3.2 of the Area Developer Agreement is hereby deleted and replaced with the following:

Liberty will pay Area Developer, as detailed under Section 3.10, an amount equal to 50% of the initial franchise fee and interest on promissory notes, if and only to the extent that such interest is on Franchise Fees or Royalties (except on interest already due and owing before the first of the month following the Effective Date of the original area developer agreement dated April 20, 2007 (“Original Area Developer Agreement”)), paid to Liberty by a Franchisee for a franchise within the Territory during the Term, pursuant to the terms in the franchise agreement between Franchisee and Liberty (“Franchise Fees”) except amounts already due and owing before the first of the month following the Effective Date of the Original Area Developer Agreement. Liberty will also pay to Area Developer the same percentage of any change fees for modifying the opening schedule of a multi-territory stipulation which a Franchisee in the Territory pays to Liberty during the Term, except change fees already due and owing before the first of the month following the Effective Date of the Original Area Developer Agreement.

3. Section 3.3 of the Area Developer Agreement is hereby deleted and replaced with the following:

Pursuant to the franchise agreement between a Franchisee and Liberty, each Franchisee is required to pay royalties associated with the operation of a franchised territory (“Royalties”). Except as provided under Section 4.1, Liberty will pay Area Developer, as detailed under Section 3.10, an amount equal to 50% of all ongoing Royalties paid by Franchisees to Liberty in Area Developer’s Territory during the Term, if any, (except Royalties due and owing before the first of the month following the Effective Date of Original Area Developer Agreement).

Liberty will also pay to Area Developer this same royalty percentage on company-owned stores in Area Developer’s Territory if a Franchisee store becomes company-owned after the first of the month following the Effective Date of this Agreement. The royalty percentage payable to Area Developer shall be calculated as if the store were still a Franchisee store.

By executing this Agreement, you, your officers and principles, individually and on behalf of all heirs, legal representatives, successors and assigns, and each assignee of this agreement by accepting assignment of the same, hereby forever releases and discharges Liberty, its past and present employees, agents, officers, area developers, directors, its subsidiary and affiliated corporations and franchisees, their respective past and present employees, agents, officers, directors, from any and all claims which could be asserted by you against any such persons and entities through the date of this Agreement, except obligations set forth or re-affirmed herein.

This Special Stipulation supersedes any prior similar Special Stipulation between the parties with respect to this subject matter. Except to the extent modified above, the terms of the Area Developer Agreement remain in full force and effect unless otherwise modified in writing signed by the parties.

AREA DEVELOPER:
Mike Budka and Mufeed Haddad

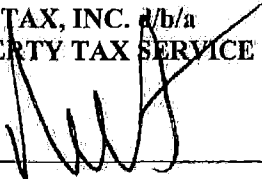
DocuSigned by:

By: _____
00550FA2EA17ADE
Mike Budka

DocuSigned by:

By: _____
5E28804A9B95474
Mufeed Haddad

JTH TAX, INC. d/b/a
LIBERTY TAX SERVICE

By:  _____

Printed Name: _____

Title: _____

Effective Date: 7/13/18

CALIFORNIA RENEWAL AND SPECIFIC RELEASE

Area Developer: Mike Budka and Mufeed Haddad

Entity No.: 4711

1. Release- Area Developer and all of Area Developer’s guarantors, members, employees, agents, successors, assigns and affiliates fully and finally release and forever discharge JTH Tax, Inc. d/b/a Liberty Tax Service, its past and present agents, employees, officers, directors, area developers, successors, assigns and affiliates (collectively “Liberty Released Parties”) from any and all claims, actions, causes of action, contractual rights, demands, damages, costs, loss of services, expenses and compensation which Area Developer could assert against the Liberty Released Parties or any of them up through and including the date of this Renewal and Release.

2. Unknown or Unsuspected Consequences- The parties understand and acknowledge that Section 1 of this Renewal and Specific Release applies to and includes all unknown or unsuspected consequences or results arising from or relating to the transactions, occurrences, or agreements referred to in those Sections. You represent and warrant that you have read the contents of California Civil Code §1542, which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”


YOU EXPRESSLY WAIVE ANY AND ALL RIGHTS AND BENEFITS UNDER CALIFORNIA CIVIL CODE §1542.

3. Nature of Release- Each party acknowledges that it has read this Renewal and Specific Release, that it fully understands the contents of this Renewal and Specific Release, and that THIS IS A SPECIFIC RELEASE GIVING UP ALL RIGHTS WITH RESPECT TO THE TRANSACTIONS OR OCCURRENCES THAT ARE BEING RELEASED UNDER THIS AGREEMENT. The above Release shall not apply to any liabilities arising under the California Franchise Investment Law or the California Franchise Relations Act.


4. This Renewal and Specific Release may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Renewal and Specific Release by facsimile or in electronic (e.g. “pdf”) format shall be effective as delivery of a manually executed counterpart of this Renewal and Specific Release. The words “execution,” “signed,” “signature,” and words of similar import in the Renewal and Specific Release shall be deemed to include electronic or digital signatures or the keeping of records in electronic form, each of which shall be of the same effect, validity and enforceability as manually executed signatures or a paper-based recordkeeping system, as the case may be, to the extent and as provided for under applicable law, including the Electronic Signatures in Global and National Commerce Act of 2000 (15 USC § 7001 et seq.) or any other similar state or federal laws based on the Uniform Electronic Transactions Act. This Agreement shall not be modified except in writing signed by the parties hereto.

Area Developer: Mike Budka and Mufeed Haddad

JTH Tax, Inc. d/b/a Liberty Tax Service

By: 
90550E42EA174DF...
Mike Budka

By: _____

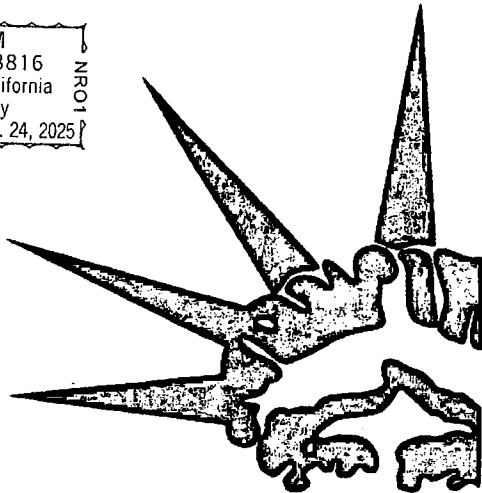
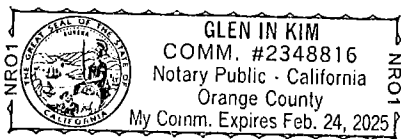
By: 
5F29004A0B05474...
Mufeed Haddad

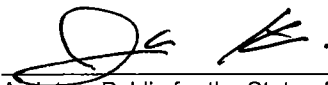
Printed Name: _____

Title: _____

Date: _____

MH



This is Exhibit "E" referred to in the affidavit
 of Mufeed Haddad sworn before me at
Orange County, California this 21st
 day of November, 2023.

 A Notary Public for the State of California

AREA DEVELOPER AGREEMENT

EXHIBIT B

TABLE OF CONTENTS

1.	SERVICES	3
2.	EXCLUSIVITY	5
3.	FEES AND COMMISSIONS	6
4.	MINIMUM AREA DEVELOPER PERFORMANCE	8
5.	FRANCHISOR — FRANCHISEE RELATIONSHIP	8
6.	NON-COMPETE AND NO SOLICITATION	9
7.	TERM AND TERMINATION	10
8.	MISCELLANEOUS	12
9.	DEATH OR INCAPACITY	16
10.	CONFIDENTIAL INFORMATION	16
11.	COUNTERPARTS	17
12.	HEADINGS	18
13.	AGREEMENT	18
	Schedule A	20
	Schedule B	21

AREA DEVELOPER
AGREEMENT

WHEREAS, JTH Tax, Inc. d/b/a Liberty Tax Service ("Liberty") franchises a system for the operation of tax return preparation offices (the "Franchise"); and

WHEREAS, area developer ("Area Developer") desires to find, solicit and recruit candidates willing to become Franchise owners ("Franchisees") and desires to provide continuing services (the "Services") on Liberty's behalf to Franchisees; and

WHEREAS, Liberty wishes to receive the Services and compensate Area Developer.

NOW, THEREFORE, for value received, Liberty and Area Developer hereby agree as follows:

1. SERVICES

1.1 Area Developer Services.

(a) **Candidate Development.** Area Developer will use best efforts to find, solicit, and recruit candidates interested in operating a Franchise within the Territory (as described in Section 2). Upon Area Developer's determination that a candidate may have the characteristics of a potential Franchisee (a "Candidate"), Area Developer will identify such Candidate in writing to Liberty for Liberty's consideration.

(b) **Franchise Award.** All Candidates must successfully pass Liberty's Effective Operations Training ("EOT") and Hands On Training ("HOT") to be awarded a Franchise.

(c) **Limitation of Services.** Area Developer may only offer those services or products through the Area Developer business as authorized by Liberty in this Agreement or the area developer operations manual ("Area Developer Operations Manual" or "Manual"), unless Liberty provides prior written approval.

1.2 Area Developer Support Services and Obligations.

(a) **Operational Support.** Area Developer will be responsible for coaching the Liberty system as described in the Area Developer Operations Manual and will provide Franchisees with timely local support, day-to-day operational help, marketing advice and feedback. Area Developer will host quarterly designated marketing area (DMA) meetings in person or through electronic means. Through these DMA meetings and as required by Liberty, Area Developer will disseminate information, collaborate with Franchisees, discuss advertising and address other issues that may arise or later be specified by Liberty. Area Developer does not have any authority to approve or disapprove Franchisee marketing or advertising. Area Developer agrees to address reasonable company-owned store issues that may arise or be specified by Liberty. "Company-owned" refers to a store owned and operated by Liberty or an entity under the control of Liberty or any of its employees.

(b) **Customer Service.** Area Developer shall use best efforts to ensure that all Franchisees provide all appropriate services as outlined in the Franchisee Operations Manual and the Area Developer Operations Manual, abide by customer service policies issued by Liberty and timely respond to customer complaints and issues. Area Developer must operate in a manner that protects the goodwill, reputation of Liberty and the service marks and trademarks of Liberty (collectively "Marks).

(c) **Site Selection.** Area Developer shall provide site selection assistance in accordance with the Area Developer Operations Manual including, but not limited to, utilization of a company that we designate providing retail business intelligence solutions, and current Electronic Return Originator ("ERO") data. Final site selection must be approved by Liberty.

(d) **Budgets, Profit and Loss Statements and Action Plans.** Area Developer shall review and approve Franchisee budgets, profit and loss statements, action plans and the Marketing Plan Generator for submission to corporate for final approval in accordance with the deadlines provided by Liberty.

(e) **Agreement Facilitation.** Area Developers shall review and facilitate Franchisee applications to Liberty for financing, transfers, fee releases, sales, terminations and the like, subject to final approval by Liberty.

(f) **Required Attendance.** Area Developer, or Area Developer's approved representative, shall attend area developer training and EOT within six months of closing. Additionally, Area Developer will attend all meetings that may be required by Liberty.

(g) **Manual.** Area Developer shall provide all assistance and support described in the Area Developer Operations Manual, the Operations Manual provided to Liberty Franchisees and Area Developers and all updates to these Manuals.

(h) **Contract Enforcement.** Upon termination or expiration of the franchise agreement between Liberty and any Franchisee (a "Former Franchisee"), Area Developer will assist Liberty in enforcing the post termination obligations set forth in its franchise agreement with that Former Franchisee ("Post Termination Obligations"), but Area Developer will have no duty to initiate court or other legal proceeding. These obligations include ensuring that all Liberty signs are removed from the Former Franchisee's offices or other premises, receiving or acquiring all telephone numbers, listings and advertisements used in relation to the Former Franchisee's business, receiving or acquiring all copies of lists and other sources of information containing the names of customers of the Former Franchisee, obtaining all Former Franchisee's customer tax returns, files, records and all copies thereof and obtaining all copies of the Former Franchisee's Operations Manual, including any updates, and performing other reasonable duties as may be assigned by Liberty to assist in the transition or closure of an office.

1.3 Liberty Obligations.

(a) **Area Developer Operations Manual.** Liberty will provide an Area Developer Operations Manual and various updates to the Manual to provide requirements of operation and offer guidance in performing Area Developer services.

(b) **Initial and Advanced Training.** Liberty will provide reasonable training to Area Developer, at Area Developer's expense, in order to ensure that Area Developer has the ability to provide the services to Liberty described in Sections 1.1 and 1.2. At present, Liberty provides a three to four day initial Area Developer training course, which Area Developer and any manager working for Area Developer must attend and successfully complete within six months of closing. Liberty also requires Area Developer to attend EOT within six months of closing. Liberty may also provide and require Area Developer's attendance at advanced or other trainings that may be offered at select locations or Liberty may offer such training on the web or electronically. Although Liberty does not charge attendance at training, Area Developer must pay the cost incurred with traveling to training, and other incidental expenses such as food, lodging, and transportation incurred in attending any training that Liberty provides.

(c) **Disclosure Document.** Liberty will provide or make available to Area Developer its latest Franchise Disclosure Document to use as part of Area Developer's Development Services.

1.4 **Joint Duties.** Liberty and Area Developer will be responsible for the enforcement of all agreements ("Franchise Documents") executed in the awarding of a franchise to a Candidate and the monitoring of individual Franchisee performance and adherence to Liberty's Franchise system. However, Area Developer will not assert any legal claim by way of a lawsuit or otherwise, against a Franchisee without the written permission of Liberty.

1.5 **Personal Involvement.** Area Developer must render the Area Developer and support services hereunder personally, unless Area Developer submits to Liberty a general manager who attends and successfully completes our initial Area Developer training course and who is not later disapproved by Liberty.

1.6 **Reports.** Area Developer agrees to file with Liberty, at such times and in such forms as Liberty may specify, reports detailing Area Developer's activities, sales and other information that may be requested.

1.7 **Reviews.** Liberty reserves the right to review Area Developer's business operations, in person, by mail, or electronically. Liberty may inspect Area Developer's operations and obtain paper and electronic business records related to the business and any other operations taking place through Area Developer's business. Area Developer must send Liberty any business records requested within five (5) business days of receiving Liberty's request for records and shall be responsible for any costs related to this transmission. Liberty has the right to require that Area Developer implement a plan to resolve any issues that Liberty discovers.

2. EXCLUSIVITY

2.1 **Exclusivity.** Except as otherwise permitted in this Agreement, Liberty will not appoint or authorize any other person to provide commissioned or paid Area Developer services to Liberty in the territory defined in Schedule A ("Territory"). This grant of the Territory in no way prevents or restricts Liberty from itself recruiting, soliciting or seeking new Franchisees in the Territory (including through the Internet or other means of general electronic communication)

or from using unpaid referrals from other sources or as detailed in Section 2.2 in the obtaining of potential Franchisees. As indicated on Schedule A, the Territory has been divided into sub-territories ("Franchise Territories") as defined by Liberty, which will be made available to prospective Franchisees.

2.2 **Non-Area Developer-Proposed Franchisees.** If Liberty is referred, contacted by or comes into communication with any prospective Franchisee in the Territory not previously identified by Area Developer, Liberty may evaluate, recruit and award such prospective Franchisee a Franchise. Each such individual will be deemed a Franchisee for the purposes of this Agreement.

3. FEES AND COMMISSIONS

3.1 **Initial Fee.** Area Developer will pay Liberty \$ 622,000 upon execution of this Agreement, which shall be deemed fully earned by Liberty upon payment.

3.2 **Initial Franchise Fee.** Liberty will pay Area Developer, as detailed under Section 3.10, an amount equal to 50% of the initial franchise fee and interest on promissory notes, if and only to the extent that such interest is on franchise fees or royalties (except on interest already due and owing before the date of this Agreement), paid to Liberty by a Franchisee during the Term, pursuant to the terms in the franchise agreement between Franchisee and Liberty ("Franchise Fees" and "Royalties"), for the first time that a territory is purchased by a franchisee, except Franchise Fees already due and owing before the Effective Date of this Agreement. Liberty will also pay to Area Developer the same percentage of any change fees for modifying the opening schedule of a multi-territory stipulation which a Franchisee pays to Liberty during the Term, except change fees already due and owing before the Effective Date of this Agreement.

3.3 **Franchise Royalties.** Except as provided under Section 4.1, Liberty will pay Area Developer, as detailed under Section 3.10, an amount equal to 50% of all ongoing Royalties received by Liberty, if any, from a Franchisee during the Term except Royalties already due and owing before the Effective Date of this Agreement.

Liberty will also pay to Area Developer this same royalty percentage on company-owned stores in Area Developer's Territory if a Franchisee store becomes company-owned after the Effective Date of this Agreement. The royalty percentage payable to Area Developer shall be calculated as if the store were still a Franchisee store.

3.4 **Demand for Payment.** Except as authorized herein, or except upon the prior written consent of Liberty, Area Developer will not demand any payment due from a Liberty Franchisee or other person or entity to Liberty.

3.5 **Fee for Franchisee Prospects.** Liberty may provide to Area Developer leads of prospective Franchisees within the Territory. If Liberty provides any such leads to Area Developer, Liberty will set fees based upon the cost and the difficulty of acquiring the leads and Area Developer agrees to pay these fees.

3.6 **Fee for Internal Sales.** If Liberty's own franchise development staff handles the selling process with a prospective Franchisee within the Territory covered by this Agreement for the sale of an undeveloped territory (meaning one that does not contain an existing Liberty Tax Service office), Area Developer shall pay Liberty 15% of the Franchise Fee (provided that in the case of a prospective Franchisee under a special stipulation agreement whereby no Franchisee Fee is paid, this amount shall be deemed to be payable under section 3.5 and be \$6,000 or such other amount as is established pursuant to Section 3.5). Liberty may deduct this from amounts Liberty otherwise owes to Area Developer.

3.7 **Advertising and Selling Material.** Liberty may charge and Area Developer agrees to pay a reasonable charge for preparing, procuring, printing, and/or sending advertising materials and Disclosure Documents to Area Developer.

3.8 **Terminal Services.** Liberty may charge and Area Developer agrees to pay a reasonable charge for providing computer access to information within the Liberty system and for computer access to a sales lead and contact information management system.

3.9 **Use of Franchise Broker.** Liberty may use the services of franchise brokers to identify Candidates who are potentially interested in becoming Franchisees ("Franchise Broker"). To participate in this opportunity, Area Developer agrees to pay a proportionate share of the Broker's fee for any broker-generated Candidate who becomes a Franchisee in Area Developer's Territory. Area Developer's share of Broker's fee shall be based on the proportion of initial Franchise Fee and Royalties that Area Developer receives under Sections 3.2 and 3.3. For example, if a Broker charges Liberty \$13,000 for a Candidate who becomes a Franchisee, and Area Developer receives 35% of the initial Franchise Fee and Royalty under Sections 3.2 and 3.3 above, then Area Developer's share of the initial Franchise Fee would be reduced by 35% of \$13,000 which amounts to \$4,550.

3.10 **Payment.** In any month that Liberty receives Franchise Fees, Royalties, or interest on promissory notes (if such interest is on Franchise Fees or Royalties and are not already due and owing before the date of this agreement) from Franchisees in Area Developer's Territory, Liberty will pay Area Developer its share of Royalties, Franchise Fees and interest not later than the last day of the next calendar month. In no case will Liberty advance funds to Area Developer, or be liable for payment on accounts receivables or unpaid Franchise Fees, Royalties or interest. Area Developer will be entitled to its share of Royalties only with respect to Royalties actually collected, and Liberty will be entitled to take credits against previous Royalty payments to Area Developer to the extent that any Royalty payments from a Franchisee are subject to a subsequent refund, offset or other credit. Each payment of Area Developer's share of Royalties, Franchise Fees, and interest will be accompanied by information in sufficient detail to allow Area Developer to determine the basis on which Area Developer's share of the Royalties, Franchise Fees and interest was calculated.

3.11 **Late Fees.** Payments for charges Liberty bills to Area Developer are due within 30 days of billing and will be subject to an 12% per annum late fee, or the maximum allowed by law if less.

3.12 **Fee Amounts.** From time to time, Liberty will set and publish the fee amounts under Sections 3.5 and 3.7-3.8.

3.13 **Expenses.** Except as provided herein, each party will bear the expenses incurred by it in the performance of this Agreement.

3.14 **Referral Fees.** Liberty may offer referral fees to individuals that refer new Franchisees to Liberty. These referral fees do not apply to Area Developer for Candidates that become Franchisees in Area Developer's Territory.

4. MINIMUM AREA DEVELOPER PERFORMANCE

4.1 **Minimum Requirements.** Area Developer will provide Liberty with a minimum number of Candidates each year that open Franchise Territories with an active Liberty office in operation, as described and set forth in Schedule B (the "Minimum Requirements"). For this purpose, a year will include each fiscal year of Liberty (including any partial year) ending on April 30. If Area Developer does not meet the Minimum Requirements, Liberty may, upon notification to Area Developer within ninety (90) days of the end of the year wherein the requirements were not met, delete from the Territory up to the number of Franchise Territories by which Area Developer failed to meet the Minimum Requirements for that year. Liberty's notice will designate which unsold Franchise Territories it desires to delete from the Territory, and Liberty shall have the sole discretion in making this determination. The specified Franchise Territories will be deemed deleted from the Territory as of the date that Liberty sends notice to Area Developer. Area Developer will thereafter not be entitled to any share of Franchise Fees and Royalties paid with respect to Franchisees appointed within those Franchise Territories ("Liberty Franchisees") and Liberty Franchisees will not be deemed Franchisees for the purposes of this Agreement. This deletion is Liberty's sole remedy for failure to meet Minimum Requirements.

Liberty's notice will be accompanied by a credit to amounts owed by Area Developer to Liberty or a payment to Area Developer, as Liberty selects. Such credit or payment shall equal the amount of the Initial Fee that is calculated by multiplication of the Initial Fee with a fraction the numerator of which is the total population of the deleted Territories and the denominator of which is the total population of the Franchise Territories (Initial Fee x (Total Population of Deleted Territories/Total Population of Franchised Territories)). For this calculation, Liberty may choose to use either the population figures that existed at the time of entering into this Agreement or more current data available to Liberty.

5. FRANCHISOR — FRANCHISEE RELATIONSHIP

5.1 **Disclosure.** Area Developer will comply with all federal and state franchise disclosure laws applicable to the solicitation of Franchisees, including providing the Disclosure Document, prepared by Liberty, to all Candidates within the time frame provided by law. In most jurisdictions, this disclosure is currently required fourteen (14) calendar days before the signing of a binding agreement between the Candidate and Liberty or making any payment by the Candidate to Liberty. Area Developer will ensure that any disclosure made in any form complies with the applicable franchise disclosure laws. Area Developer will be responsible for providing

Liberty's most current Disclosure Document, but will not be responsible for improper disclosure due to inadequacies or errors in Liberty's most current Disclosure Document.

5.2 **Financial Performance Representations.** Except as may be expressly stated in Item 19 of Liberty's most current unit Franchise Disclosure Document in effect in Area Developer's Territory, Area Developer will not make any representation, either orally, in writing, electronically, or otherwise, to any prospective Candidate concerning actual or potential earnings, sales, income or profits of any Franchise. However, Area Developer may disclose financial performance of an existing franchise for sale to a Candidate interested in such unit as may be permitted by law.

5.3 **Improper Representations.** Area Developer will make no representations to any Candidate that conflicts with Liberty's current franchise agreement or Disclosure Document or make any promises, guarantees, or warranties to any party not authorized in writing by Liberty.

5.4 **No Unauthorized Commitments.** Area Developer acknowledges that it has no authority to bind Liberty with respect to any matter, and agrees that it will not enter into any agreements or understandings with any Candidates other than as authorized in writing by Liberty.

5.5 **Indemnity.** Area Developer will indemnify, defend and hold Liberty and its affiliates, officers, directors, members, partners, employees, agents, contractors, advisors and representatives (the "Indemnified Parties") harmless from and against any claim, suit or proceeding brought against any of the Indemnified Parties resulting from, relating to or arising out of a claim that Area Developer failed to make proper disclosures under Section 5.1, made any improper earnings claim as detailed in Section 5.2, made any improper representations under Section 5.3, or entered into any unauthorized agreements under Section 5.4.

Liberty will indemnify, defend and hold Area Developer and its affiliates, officers, directors, members, partners, employees, agents, contractors, advisors and representatives (the "Area Developer Indemnified Parties") harmless from and against any claim, suit, or proceeding brought against any of the Area Developer Indemnified Parties resulting from, relating to or arising out of a claim that Liberty failed to make proper disclosure under Section 5.1, made any improper earnings claim as detailed in Section 5.2, made any improper representations under Section 5.3, or entered into any unauthorized agreements under Section 5.4.

6. NON-COMPETE AND NO SOLICITATION

6.1 **Non-Compete.**

(a) **In-Term.** Area Developer will not, during the Term of this Agreement, in the United States or Canada, directly or indirectly (i) recruit, search for, or solicit Franchisees or prospective Franchisees to engage in income tax return preparation, electronic filing of tax returns, or the provision of refund anticipation loans, except as to seeking Liberty Tax Service Franchisees pursuant to the terms of this Agreement, or (ii) aid or facilitate another person or entity (except Liberty Tax Service Franchisees) in the provision of paid income tax preparation offered to the public through retail outlets.

(b) **Post-Term.** Area Developer will not, for a period of two years after expiration or termination of this Agreement, in the Territory defined in Schedule A regardless of any reduction due to application of Section 4.1 (the "Original Territory"), or within twenty-five (25) miles of the boundaries of the Original Territory, directly or indirectly recruit, search for, or solicit Franchisees or prospective Franchisees to engage in income tax return preparation, electronic filing of tax returns, or the provision of refund anticipation loans.

6.2 No Solicitation.

(a) **In-Term.** Except with the permission of Liberty, Area Developer will not, during the term of this Agreement, in the United States or in Canada, directly or indirectly solicit for employment in a management or supervisory capacity, any management or supervisory personnel employed by Liberty, any management or supervisory personnel employed by a Liberty Tax Service Franchisee, or any Liberty Tax Service Franchisee, or in the case of a Franchisee which is an entity, the owners of such entity.

(b) **Post-Term.** Except with the permission of Liberty, Area Developer will not, for a period of two years after expiration, termination or transfer of this Agreement, in the Original Territory and within twenty-five (25) miles of the boundaries of the Original Territory, directly or indirectly solicit to own, operate, manage or supervise an income tax preparation office or income tax preparation franchise, any management or supervisory personnel employed by Liberty, any management or supervisory personnel employed by a Liberty Tax Service Franchisee, or any Liberty Tax Service Franchisee, or in the case of a Franchisee which is an entity, the owners of such entity, or any other entity beneficially owned by such owner or entity.

6.3 **Severability.** If any covenant or provision with Section 6.1 or 6.2 is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not affect or impair the validity of any other covenant or provision. Further, these obligations are considered independent of any other provision in this Agreement, and the existence of any claim or cause of action by either party to this Agreement against the other, whether based upon this Agreement or otherwise, shall not constitute a defense to the enforcement of these obligations.

7. TERM AND TERMINATION

7.1 **Term.** This Agreement will commence upon its Effective Date and will last for a term of ten (10) years (the "Term").

7.2 **Renewal.** Upon the completion of the Term of this Agreement, provided Area Developer is in compliance with the terms and conditions in this Agreement, Liberty will provide Area Developer with the right to enter into a new agreement with Liberty for the provision of services similar to those in this Agreement. If Area Developer wishes to renew this Agreement, Area Developer must notify Liberty in writing at least one hundred and eighty (180) days before the expiration of this Agreement. There will be no fee for the renewal, but Area Developer must execute a general release of all claims it may have against Liberty. Area Developer may also renew future Area Developer Agreements, if Area Developer is in compliance with the terms and conditions in such agreements, meets the other conditions therein for renewal, and renews by

signing Liberty's then current Area Developer Agreement. The fees and percentages described in Sections 3.2 and 3.3 above will not be reduced upon any renewal nor will the Territory be reduced, except as may be reduced due to failure to meet Minimum Requirements, as described in Section 4.1 above.

7.3 **Termination.**

(a) **Termination by Area Developer.** Area Developer may terminate this Agreement at any time through written notice of termination to Liberty. Area Developer's termination of this Agreement will be effective upon Liberty's receipt of Area Developer's termination notice.

(b) **Termination by Liberty Without Opportunity to Cure.** Liberty may terminate this Agreement effective upon the date of Liberty's sending written notice of termination to Area Developer, and without the opportunity for Area Developer to cure, for any of the following reasons:

- (i) Area Developer commits a violation of any law, ordinance, rule or regulation of a government or governmental agency or department and such conduct constitutes a material violation of any franchise law, antitrust law or securities law, fraud or a similar wrong, unfair or deceptive practices, or a comparable violation of applicable law, or the Area Developer is convicted of a felony; or
- (ii) Area Developer violates any of Sections 5.1, 5.2, 5.3 or 5.4 of this Agreement; or
- (iii) Area Developer makes a misstatement of material fact on a Biographical Information Form, which is required in order to enter into this Area Developer Agreement, or the Sales Agent Disclosure Form Update, or fails to disclose a material fact that is requested in any such form, or refuses to fill out or completely fill out such form or tender supporting documentation upon reasonable request. The present versions of these Forms are appended to the accompanying Disclosure Document as Exhibits D-2 and D-3.

(c) **Termination by Liberty After Opportunity to Cure.** Liberty may terminate this Agreement if Area Developer fails to perform any obligation under this Agreement or any other Agreement between the parties ("Breach") and such failure has continued for thirty (30) days after Liberty sent written notice of such Breach to Area Developer. In the case of past due monies owed by Area Developer to Liberty under this Agreement or for any other debt to Liberty, Liberty may terminate this Agreement fourteen (14) days after Liberty sends written notice of delinquency to Area Developer. If Area Developer fails to provide notification of Area Developer's desire to renew within the time and manner provided for in Section 7.2 of this Agreement, Liberty may terminate this Agreement fourteen (14) days after Liberty sends written notice to cure.

7.4 **No Refund of Initial Fee.** Liberty will have no obligation to return or refund any fee to Area Developer upon termination of this Agreement.

7.5 **Survival of Obligations.** The Parties' obligations that by their nature may require performance after the termination or expiration of this Agreement, including, but not necessarily limited to, Sections 3.11, 5.5, 6, 7.4, 7.5, and 8-11, will survive the termination or expiration of this Agreement. Upon the termination or expiration of this Agreement, sale of this Agreement or sale or other transfer of Area Developer's business operated under this Agreement, Liberty will have no further obligation to pay Area Developer any share of Franchise Fees, Royalties or interest received by Liberty subsequent to the date of termination or expiration.

8. MISCELLANEOUS

8.1 **Relationship.** Notwithstanding anything herein to the contrary, this Agreement does not create a partnership, company, joint venture, or any other entity or similar legal relationship between the parties, and no party has a fiduciary duty or other special duty or relationship with respect to the other party. The parties acknowledge that Area Developer's relationship with Liberty hereunder is that of an independent contractor.

8.2 **Intellectual Property Ownership.** Liberty owns the Franchise system, its trademarks and all other intellectual property associated with the Franchise system. To the extent Area Developer has or later obtains any intellectual property, other property rights or interests in the Franchise system by operation of law or otherwise, Area Developer hereby disclaims such rights or interests and will promptly assign and transfer such entire interest exclusively to Liberty. Area Developer will not undertake to obtain, in lieu of Liberty, copyright, trademark, service mark, trade secret, patent rights or other intellectual property right with respect to the Franchise system. Area Developer will have the right to use Liberty's Marks during the Term for the sole purpose of advertising the availability of Franchises within the Territory, but Area Developer must obtain Liberty's prior written consent to such use, which consent may be withheld in Liberty's sole discretion.

8.3 **Trade and Domain Names.** Area Developer will not use the name "Liberty," "libtax," or "JTH" as any part of the name of a corporation, LLC or other entity. Further, unless Area Developer first receives Liberty's express written permission, Area Developer will not obtain or use any domain name (Internet address) in connection with the provision of services under this Agreement or to facilitate any efforts to find, solicit and recruit Candidates.

8.4 **Assignment.** Liberty may assign this Agreement to an assignee who agrees to remain bound by its terms. Liberty does not permit a sub-license of the Agreement. Area Developer's interest under this Agreement may be transferred or assigned only if Area Developer complies with the provisions in this Section. No interest may be transferred unless Area Developer is in full compliance with this Agreement and current in all monies owed to Liberty. Upon Liberty's request, any transfer of an ownership interest in this Agreement must be joined by all signatories to this Agreement, except in the case of death or legal disability.

(a) **Liberty's Right of First Refusal.** If Area Developer has received and desires to accept a signed, bona fide offer to purchase or otherwise transfer the Area Developer Agreement or

any interest in it, Liberty shall have the option (the "Right of First Refusal") to purchase such interest as hereinafter provided. Within fourteen (14) days of receipt of the offer, Area Developer shall offer the Right of First Refusal to Liberty by providing written notice to Liberty which shall include a copy of the signed offer to purchase that Area Developer received ("Notice"). Liberty shall have the right to purchase the Area Developer Agreement or interest in the Area Developer Agreement for the price and upon the terms set out in the Notice, except that Liberty may substitute cash for any non-cash form of payment proposed and Liberty shall have sixty (60) days after the exercise of our Right of First Refusal to close the said purchase. Liberty will notify Area Developer in writing within fifteen (15) days of its receipt of the Notice if it plans to exercise the Right of First Refusal. Upon the transmission of notice by Liberty, there shall immediately arise between Liberty and Area Developer, or its owners, a binding contract of purchase and sale at the price and terms contained in the Notice previously provided by Area Developer.

(b) **Transfer to Controlled Entity.** A transfer to a "Controlled Entity" shall not trigger the Right of First Refusal. A "Controlled Entity" is an entity in which Area Developer is the beneficial owner of 100% of each class of voting ownership interest. At the time of the desired transfer of interest to a Controlled Entity, Area Developer must notify Liberty in writing of the name of the Controlled Entity and the name and address of each officer, director, shareholder, member, partner, or similar person and their respective ownership interest. Each such person of the Controlled Entity shall sign the amendment and release forms and/or Area Developer Agreement as required by Liberty at the time of transfer. Currently, Liberty does not charge a transfer fee for this type of transaction.

(c) **Transfer of Interest Within Area Developer.** A transfer of interest within an Area Developer which is an entity shall not trigger the Right of First Refusal provided that only the percentage ownership, rather than the identity of the owners, is changing. At the time of the desired transfer of interest within an entity, Area Developer must notify Liberty in writing of the name and address of each officer, director, shareholder, member, partner or similar person and their respective ownership interest prior to and following the proposed transfer. Each such person of the Controlled Entity shall sign the amendment and release forms and/or Area Developer Agreement as required by Liberty at the time of transfer. Currently, Liberty does not charge a transfer fee for this type of transaction.

(d) **Right of First Refusal Not Exercised By Liberty.** If Liberty does not exercise the Right of First Refusal, Area Developer may transfer the Area Developer Agreement or ownership interest therein according to the terms set forth in the Notice, provided that Area Developer satisfies the conditions in Section 8.4(e) and completes the sale within ninety (90) days from the date that Liberty received Notice from Area Developer. If Area Developer does not conclude the proposed sale transaction within this 90-day period, the Liberty's Right of First Refusal shall continue in full force and effect.

(e) **Additional Requirements and Obligations for Transfer.**

- i) The proposed transferee(s) must complete Liberty's Area Developer application and pass Liberty's application screening in place at the time of transfer.
- ii) The proposed transferee(s) must sign the Liberty amendment forms and/or Area

Developer Agreement in place at the time of transfer and must personally assume and be bound by all of the terms, covenants and conditions therein.

- iii) The proposed transferee(s) must attend and successfully complete Area Developer Training.
- iv) Area Developer shall sign Liberty's transfer and release forms required by Liberty at the time of transfer and pay to Liberty a transfer fee of \$10,000.00.

8.5 **Publicity.** Except as required by law, Area Developer may not make any press release or other public announcement involving the subject matter of this Agreement without the written agreement of Liberty as to the form of such press release or public announcement.

8.6 **Operations Manual, Specifications, and Equipment.** Liberty may issue specifications to guide Area Developer in the provision of Services hereunder. Liberty has an Area Developer Operations Manual that Area Developer agrees to follow. Liberty may issue computer and equipment requirements. At present, Area Developer is required to have business cards, a telephone and telephone line, printer, fax service and computer connected via internet to Liberty's computer network. Liberty also requires Area Developer to use an appropriate sales lead and contact information database or software to keep track of Area Developer's contacts with prospective Franchisees and may issue recommendations or requirements in this regard. Liberty may change Liberty's Area Developer Operations Manual and modify Liberty's specifications in order to maintain competitiveness, adjust for legal, technological, and economic changes, and to improve in the marketplace. Area Developer agrees to be bound by all future changes.

8.7 **Maintenance of Liberty Goodwill.** Area Developer agrees not to disparage Liberty or its current and former employees or directors. During the term of this Agreement, Area Developer also agrees not to do any act harmful, prejudicial, or injurious to Liberty.

8.8 **Governing Law.**

(a) **Virginia Law.** This Agreement is effective upon its acceptance in Virginia by our authorized officer. Virginia law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties hereto. However, the Virginia Retail Franchising Act does not apply to any claims by or on Area Developer's behalf if the Territory shown on Schedule A below is located outside of Virginia.

(b) **Jurisdiction and Venue.** In any suit brought by Liberty, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, Area Developer consents to venue and personal jurisdiction in the state and federal court of the city or county of Liberty's National Office, presently Virginia Beach state courts and the United States District Court in Norfolk, Virginia. In any suit brought against Liberty, including Liberty's present and former employees and agents, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, venue shall be proper only in the federal court located nearest Liberty's National Office (presently the U.S. District Court in Norfolk, Virginia), or if neither

federal subject matter or diversity jurisdiction exists, in the city or county state court located where Liberty's National Office is (presently the City of Virginia Beach, Virginia).

(c) **Jury Waiver.** In any trial between any of the parties hereto, including present and former employees and agents of Liberty, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, Area Developer and Liberty agree to waive our rights to a jury trial and instead have such action tried by a judge.

(d) **Class Action Waiver.** Area Developer agrees that any claim Area Developer may have against Liberty, including Liberty's past and present employees and agents, shall be brought individually and Area Developer shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against Liberty.

(e) **No Punitive Damages.** In any lawsuit, dispute or claim between or against any of the parties hereto, including present and former agents and employees of Liberty, Area Developer and Liberty agree to waive our rights, if any, to seek or recover punitive damages.

8.9 **Severability.** If any one or more of the provisions in this Agreement or any application of such provision is held to be invalid, illegal or unenforceable in any respect by a competent tribunal, the validity, legality and enforceability of the remaining provisions in this Agreement and all other applications of the remaining provisions will not in any way be affected or impaired by such invalidity, illegality or unenforceability. Further, the obligations within Section 6 above are considered independent of any other provision in this agreement, and the existence of any claim or cause of action by either party to this agreement against the other, whether based upon this agreement or otherwise, shall not constitute a defense to the enforcement of these obligations.

8.10 **Notices.** Any notice, authorization, consent or other communication required or permitted under this Agreement must be made in writing and shall be given by mail or courier, postage fully prepaid, or delivered personally, to Liberty's CEO, at Liberty's National Office, presently 1716 Corporate Landing Parkway, Virginia Beach, Virginia 23454, Telephone: (757) 493-8855. Any such notice may also be given to Area Developer in the same manner at the address indicated below the Area Developer's signature on this Agreement or such other more current address as Liberty may have on file for Area Developer. Liberty may also give notice to Area Developer by e-mail.

8.11 **Burdens and Benefits.** This Agreement will be binding upon and will inure to the benefit of the parties, their successors and assigns, as permitted hereunder.

8.12 **Entire Agreement.** This Agreement, including the Schedules, is the entire agreement between Area Developer and Liberty with respect to the subject matter contained herein. This Agreement supersedes all other prior oral and written agreements and understandings between Area Developer and Liberty with respect to the subject matter herein. However, nothing in this or any related agreement is intended to disclaim the representations Liberty made in the franchise disclosure document Liberty furnished to Area Developer.

8.13 **Amendment and Waiver.** No amendment, change, or modification of this Agreement and no waiver of any right under this Agreement will be effective unless in a written document that is signed by an authorized representative of each party. No failure to exercise and no delay in exercising any right under this Agreement will operate as a waiver.

8.14 **Financing.** If Liberty provides financing, Area Developer must submit annual financial information to Liberty including, but not limited to, income statements, balance sheets, and supporting documents. Area Developer agrees to submit the required information at the time and in the format specified by Liberty.

9. DEATH OR INCAPACITY

9.1 **Assistance and Reimbursement.** In the event of the death or incapacity of Area Developer, Liberty is entitled, but not required, to render assistance to maintain smooth and continued provision of Services. Liberty shall be entitled to reimbursement from Area Developer or Area Developer's estate for reasonable expenditures incurred.

9.2 **Required Time Frames.** Pursuant to this Section, death or incapacity shall not be grounds for termination of this Agreement unless either:

(a) Area Developer or his/her legal representative fails for a period of 180 days after such death or incapacity to commence action to assign this Agreement according to controlling state law regarding the affairs of a deceased or incapacitated person and the terms of this Agreement; or,

(b) Such assignment is not completed within one year after death or incapacity.

9.3 **Termination for Death or Incapacity.** Liberty shall have the right to terminate this Agreement if one of the conditions in Section 9.2 is not satisfied within the time frame provided. Nothing in this Section shall be construed to limit the provisions of Section 7 regarding termination. Further, the terms and conditions of Section 8.4 above apply to a transfer upon death or incapacity, in the same manner as such terms and conditions apply to any other transfer to a non-Affiliate.

10. CONFIDENTIAL INFORMATION

10.1 **Disclosure.** Liberty possesses confidential information including, but not limited to, methods of operation, service and other methods, techniques, formats, specifications, procedures, information, system, customer information, marketing information, trade secrets, intellectual property, knowledge of and experience in operating and franchising offices, operating as an Area Developer ("Confidential Information"). Liberty may disclose some or all of the Confidential Information (oral, written, electronic, or otherwise) to Area Developer and Area Developer's representatives. During the term of this Agreement and following the expiration or termination of this Agreement, Area Developer covenants not to directly or indirectly communicate, divulge, or use Confidential Information for its benefit or the benefit of any other person or legal entity except as specifically provided by the terms of this Agreement or permitted by Liberty in writing. Upon the expiration, termination or nonrenewal of this Agreement, Area Developer agrees that it will never use or disclose, and will not permit any of its representatives

to use or disclose, our Confidential Information in any manner whatsoever, including, without limitation, in the design, development or operation of any business which provides services substantially similar to those stated herein. This provision shall not apply to information that: (a) at the time of disclosure is readily available to the public; (b) after disclosure becomes readily available to the trade or public other than through breach of this Agreement; (c) is subsequently lawfully and in good faith obtained by Area Developer from an independent third party without breach of this Agreement; (d) was in Area Developer's possession prior to the date of Liberty's disclosure to Area Developer; or (e) is disclosed to others in accordance with the terms of a prior written authorization between Area Developer and Liberty. The protections granted in this Section shall be in addition to all other protections for Confidential Information provided by law or equity.

10.2 **Interest.** Area Developer will acquire no interest in Liberty's Confidential Information but is provided the right to use the Confidential Information disclosed for the purposes of developing and operating pursuant to this Agreement. Area Developer acknowledges that it would be an unfair method of competition to use or duplicate any Confidential Information other than in connection with the operation under this Agreement. No part of the Liberty franchise system nor any document or exhibit forming any part thereof shall be distributed, utilized or reproduced in any form or by any means, without our prior written consent.

10.3 **Use In Term.** Area Developer agrees that it will (a) refrain from using the Confidential Information for any purpose other than the operation pursuant to this Agreement; (b) maintain absolute confidentiality of Confidential Information during and after the term of this Agreement; (c) not make unauthorized copies of any portion of Confidential Information; and (d) adopt and implement all reasonable procedures, including but not limited to, those required by Liberty, to prevent unauthorized use of or disclosure of Confidential Information, including but not limited to, restrictions on disclosure to employees of Area Developer and the use of nondisclosure and non-competition clauses in employment agreements with employees that have access to Confidential Information.

10.4 **Use Following Term.** Upon termination of this Agreement, Area Developer will return to Liberty all Confidential Information embodied in tangible form, and will destroy, unless otherwise agreed, all other sources which contain or reflect any such Confidential Information. Notwithstanding the foregoing, Area Developer may retain Confidential Information solely for insurance, warranty, claims and archival purposes, but the information retained will remain subject at all times to the confidentiality restrictions of this Agreement.

11. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts shall constitute one and the same instrument.

12. HEADINGS

The headings of the various sections of this Agreement have been inserted for reference only and shall not be deemed to be a part of this Agreement.

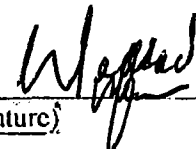
13. AGREEMENT

The Area Developer named at the top of the following page agrees to abide by the terms of this Agreement. The signature of an individual or individuals constitutes their personal agreement to such terms. The signature of an individual or individuals on behalf of an entity constitutes the entity's agreement to such terms.

In addition, the Area Developer signatures of all individuals to this Agreement in, any capacity, also constitute their personal joint and several agreement to perform all the obligations in and relating to this Agreement, including, but not limited to, the obligations stated in **Section 8.8 above concerning governing law, including, but not limited to, the application of Virginia law, the jurisdiction and venue clause, the jury waiver, the class action waiver, and the limitation to compensatory damages only**, the obligation to make payments specified herein, pay any other promissory notes and other debts due to Liberty, and pay for products later ordered from Liberty. All signators on the following page waive any right to presentment, demand or notice of non-performance and the right to require Liberty to proceed against the other signators.

Area Developer: Mufeed Haddad Entity Number: 7700

SIGNATORS:

By: 
(Signature)

MUFEED HADDAD
(Printed Name)

Title: _____

Address: 3793 QUARTER HORSE DR
TOLBA LINDA, CA 92876

Ownership Percentage: 100 %

By: _____
(Signature)

(Printed Name)

Title: _____

Address: _____

Ownership Percentage: _____ %

By: _____
(Signature)

(Printed Name)

Title: _____

Address: _____

Ownership Percentage: _____ %

By: _____
(Signature)


(Printed Name)

Title: _____

Address: _____

Ownership Percentage: _____ %

**JTH TAX, INC. d/b/a
LIBERTY TAX SERVICE**

By: 

Printed Name: John Hewitt

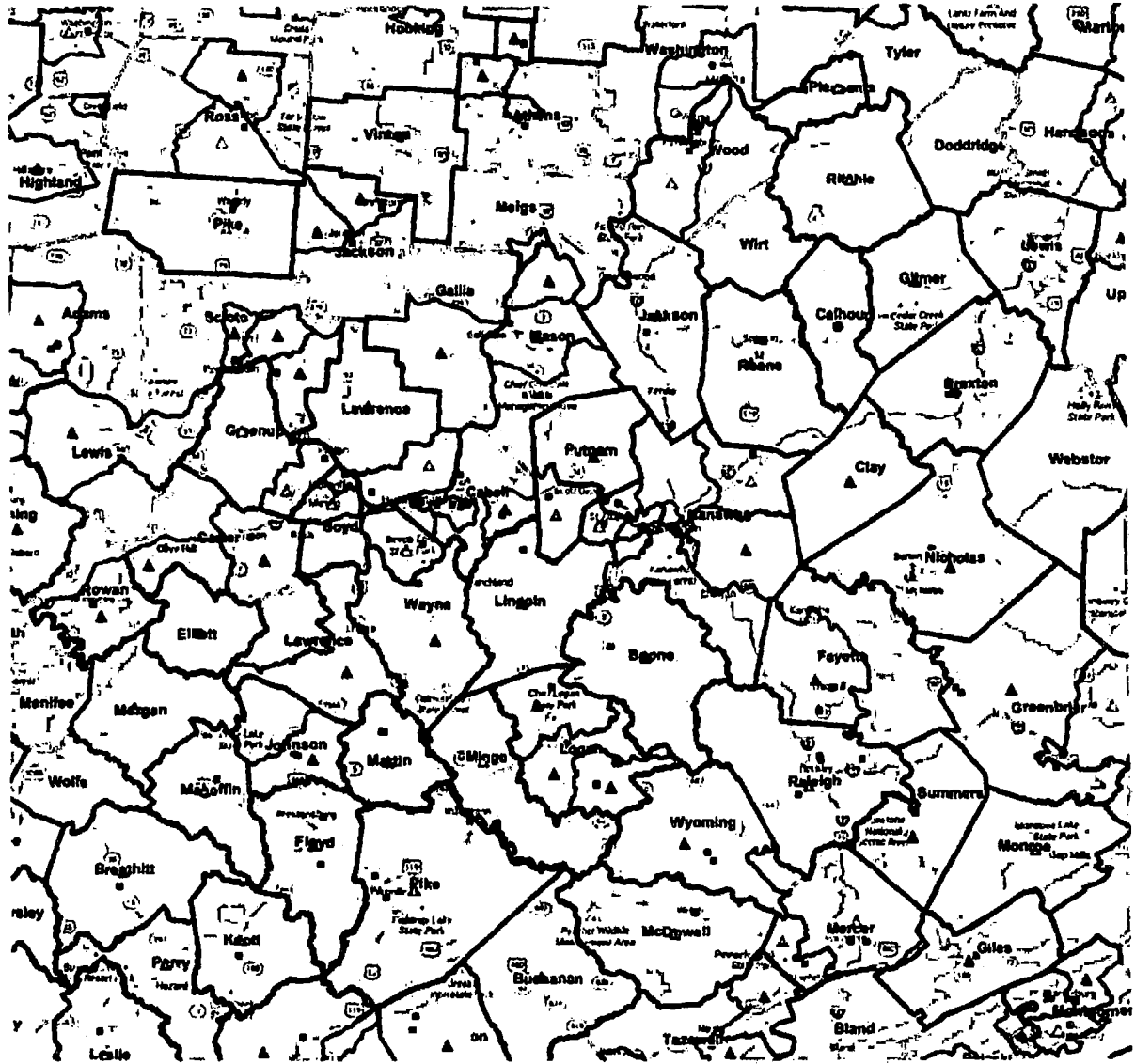
Title: CEO

Effective Date: 2/28/14

Charleston-Hunting, WV-KY-OH**Schedule A****TERRITORY****The counties of :**

**Boyd County, KY
Carter County, KY
Elliott County, KY
Floyd County, KY
Greenup County, KY
Johnson County, KY
Lawrence County, KY
Lewis County, KY
Martin County, KY
Pike County, KY
Athens County, OH
Gallia County, OH
Jackson County, OH
Lawrence County, OH
Meigs County, OH
Scioto County, OH
Vinton County, OH
Boone County, WV
Braxton County, WV
Cabell County, WV
Calhoun County, WV
Clay County, WV
Jackson County, WV
Kanawha County, WV
Lincoln County, WV
Logan County, WV
Mason County, WV
Mingo County, WV
Nicholas County, WV
Putnam County, WV
Roane County, WV
Wayne County, WV
Wirt County, WV**

currently divided by JTH Tax, Inc. into 59 Franchise Territories.



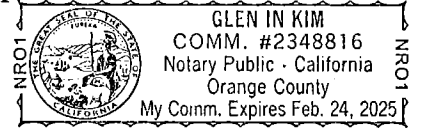
Schedule B

MINIMUM REQUIREMENTS

At closing there are 15 JTH Tax, Inc. d/b/a Liberty Tax Service ("Liberty") franchise territories with an active Liberty office currently within Area Developer's Territory, and operating pursuant to franchise agreements by and between Liberty and each Franchisee that is a party to a franchise agreement ("existing active territories"). Area Developer agrees to maintain the number of existing active territories and agrees to identify and secure additional candidates/Franchisees such that the following cumulative minimum development obligations are met during the term of the Area Developer Agreement:

Development Period Ending	Cumulative Number of Liberty Tax Service Effective Franchise Agreements in Operation with an Active Liberty Office
April 30, 2014	15
April 30, 2015	16
April 30, 2016	17
April 30, 2017	18
April 30, 2018	19
April 30, 2019	20
April 30, 2020	21
April 30, 2021	23
April 30, 2022	25
April 30, 2023	29
April 30, 2024	33


IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
NORFOLK DIVISION



UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.)
)
 FRANCHISE GROUP INTERMEDIATE)
 L 1, LLC, d/b/a LIBERTY TAX SERVICE,)
)
 Defendant.)
 _____)

Case No. 2:19-cv-653

MH

This is Exhibit "F" referred to in the affidavit of Mufeed Haddad sworn before me at Orange County, California this 21st day of November, 2023.

A Notary Public for the State of California

COMPLAINT

The United States brings this Complaint pursuant to 26 U.S.C. (the Internal Revenue Code ("I.R.C.)) § 7402(a) for entry of an order requiring Defendant, Franchise Group Intermediate L 1, LLC, doing business as Liberty Tax Service and formerly operated within sub-entities of Liberty Tax, Inc. and JTH Holding, Inc. ("Liberty Tax"), and all those in active concert or participation with Liberty Tax, to refrain from specific acts, to enact and/or maintain specific controls to prevent the preparation of false or fraudulent tax returns at Liberty Tax Service stores, and to prevent the transmission of false or fraudulent tax returns by Liberty Tax to the IRS.

Jurisdiction and Venue

1. Jurisdiction is conferred on this Court by 26 U.S.C § 7402(a), granting that "[t]he district courts of the United States at the instance of the United States shall have such jurisdiction to make and issue in civil actions, writs and orders of injunction ... and such other orders and processes, and to render such judgments and decrees as may be necessary or appropriate for the enforcement of the internal revenue laws."

203

2. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b) because a substantial portion of the events giving rise to this action occurred within this judicial district, and Liberty Tax conducts business in this judicial district.

Defendant

3. Franchise Group Intermediate L 1, LLC (“Liberty Tax”) is a subsidiary of Franchise Group, Inc., a publicly traded, Delaware corporation headquartered in Virginia Beach, Virginia.

4. Liberty Tax markets tax return preparation services throughout the United States and Canada. Among its operations, Liberty Tax owns Liberty Tax Service-branded store locations and contracts with others as a franchisor of tax preparation stores branded as Liberty Tax Service (or operating as other brands).

5. John T. Hewitt established the Liberty Tax Service brand, founded the company, and opened its first store locations in the United States in 1998. Hewitt served as the Chief Executive Officer of the company up to 2017. Until 2018, Hewitt was Chairman of the company’s Board of Directors and controlling shareholder with the authority to select a majority of the board members.

6. To expand the business, Liberty Tax engages third parties, known as “area developers,” to sell the rights to franchise territories throughout the United States. According to Liberty Tax, these area developers, in addition to having responsibility for selling Liberty Tax Service franchises, also serve as a “mentor and coach” responsible for “assist[ing]” other owners of Liberty Tax Service franchises within defined geographic areas with “all facets of [their] business, including office site selection and operational guidance, including marketing, training,

and staffing.” Area developers typically receive 50% of both the franchise fee and royalties owed by franchisees under Liberty Tax Service franchise agreements.

7. According to the annual report filed by Liberty Tax, Inc. with the SEC in 2019, Liberty Tax has more than 2,800 franchise and company-owned tax return preparation offices in the United States. Liberty Tax also directly owns tax preparation stores. However, most Liberty Tax Service stores throughout the United States operate as franchisees in over 1,400 separate franchise territories, which in some instances include multiple store locations. Between 2015 and 2019, through the stores it owned directly and franchised throughout the United States, Liberty Tax filed approximately 1.3 to 1.9 million tax returns each year on behalf of its customers, making it one of the largest tax preparation businesses in the United States.

8. Typically, tax return preparers at Liberty Tax franchise and company-owned stores prepare federal income tax returns at individual store locations using Liberty Tax software, which transmits each tax return electronically to Liberty Tax. Liberty Tax, in turn, electronically files each federal tax return with the IRS.

9. For tax years from 2012 to 2018, over 88% of the electronically filed federal income tax returns prepared at stores Liberty Tax owned directly or franchised in the United States included a claim for a tax refund. In total, those income tax returns claimed over \$28 billion in federal tax refunds.

10. In addition to direct control of company-owned stores, under terms of its franchise agreements, operations manuals, and other written guidelines created by Liberty Tax, Liberty Tax maintains a substantial degree of control over operations at Liberty Tax Service franchise locations by, *inter alia*:

205

- A. Mandatory use by franchisees of tax preparation software designed by Liberty Tax that the company distributes to Liberty Tax Service stores.
- B. Requiring franchisees to use computers and other equipment that Liberty Tax selects and to consent to Liberty Tax monitoring of franchisee computer systems.
- C. Providing hardcopy forms to franchisees for use in collecting information from customers to report on federal income tax returns.
- D. Requiring franchisees to establish a management structure at their Liberty Tax Service stores to supervise tax return preparers employed by franchisees.
- E. Requiring franchisee store locations to maintain specific hours of operation set by Liberty Tax.
- F. Mandatory adherence by franchisees to guidelines established by Liberty Tax for how Liberty Tax Service stores market services to the public and use Liberty Tax trademarks.
- G. Requiring franchisees to comply with a common physical layout and appearance for Liberty Tax Service stores, as determined by Liberty Tax.
- H. Requiring Liberty Tax franchisees to obtain approval from Liberty Tax for any store location.
- I. Mandatory disclosures by franchisees to Liberty Tax of financial information involving store locations (*e.g.* gross receipt reports, profit and loss statements).
- J. Requiring franchisees to disclose to Liberty Tax the existence of any IRS or government investigation or audit of their stores and any results of the investigation or audit.

206

K. Offering financial products approved by Liberty Tax for sale to customers at franchisee-owned Liberty Tax Service stores (and prohibiting use of alternative financial products).

L. Mandatory customer service requirements and adherence to customer service policies by franchisees, as determined by Liberty Tax.

M. Providing loans and funding to franchisees for the operation of their Liberty Tax Service stores.

N. Both mandatory and optional operations and tax preparation training to franchise owners and their employees, including “Tax School” classes designed to train individuals to prepare federal income tax returns.

11. Liberty Tax also maintains control over disbursement of federal tax refunds and distribution of fees charged to customers from the preparation of federal tax returns. Through its franchise and company-owned stores, Liberty Tax offers customers the ability to defer payment of fees charged by Liberty Tax Service stores. For these customers, Liberty Tax obtains custody over federal tax refunds after the IRS disburses them (before franchisees or customers receive any portion of them) and collects fees from the proceeds of the refunds. Typically, Liberty Tax then: (1) retains portions of the refund, either as royalties owed to the company as the franchisor, or as fees owed by customers from the preparation of tax returns at company-owned stores; (2) distributes any portion of the refund due to franchisees as fees owed by the customers from the preparation of the tax return, or applies those fees to outstanding debt owed by the franchisee to Liberty Tax; and (3) disburses any remaining amount of the refund to customers (either directly to the customer or through a Liberty Tax Service location).

12. Liberty Tax's internal systems and the structure of its franchise operation also give the company the control and capability to prevent the filing of potentially false or fraudulent federal tax returns with the IRS. For example:

A. Through use of its tax preparation software and internal analytic tools, Liberty Tax evaluates information reported on federal tax returns prepared at Liberty Tax Service stores, both before and after transmission to the IRS. Liberty Tax can identify tax returns that contain anomalous patterns or potentially false or fraudulent claims, including through use of an alert system that issues "red flag" or "fraud alerts" both internally at Liberty Tax and to store locations.

B. Because store locations prepare tax returns using Liberty Tax software, which transmits each tax return to Liberty Tax prior to filing with the IRS, Liberty Tax has the capability to prevent electronic filing of federal tax returns that it identifies as containing potentially false or fraudulent information.

C. Liberty Tax has the capability to prevent electronic filing of federal tax returns prepared by individual tax return preparers working at store locations it owns or owned by its franchisees, if the tax return includes the correct Preparer Identification Number ("PTIN") of the preparer as required by federal law. Therefore, Liberty Tax can bar individuals from filing tax returns through its systems that it identifies as having filed improper, false, or fraudulent federal tax returns in the past, or identifies as high risk for filing improper, false, or fraudulent federal tax returns.

13. Liberty Tax Service franchise agreements also provide multiple grounds for Liberty Tax to terminate franchise agreements without notice or opportunity to cure. Grounds for termination include a determination by Liberty Tax that a franchisee, or any person under its

supervision and control, has committed a material violation of any law, rule, or regulation of a government agency associated with the operation of the franchise.

**Fraud and Misconduct at
Liberty Tax Service Franchise Locations**

14. Between 2013 and 2018, the United States filed 10 separate civil law enforcement actions in U.S. District Courts throughout the United States against 12 franchisees of Liberty Tax, or their owners, former owners, or former managers, including:

A. *United States v. Doletzky et al.*, Case No: 8:18-cv-00780-CEH-CPT (M.D. Fla.) (the “Doletzky Litigation”): pending lawsuit against Steven Doletzky, who was a franchisee, Liberty Tax Service area developer, officer of a Liberty Tax insurance subsidiary, and nationwide trainer of Liberty Tax Service franchisees. The Complaint also names Michael Garno and Michael Bass (as well as a company he owned to operate Liberty Tax Service stores) as additional Defendants, each of whom operated separate Liberty Tax Service franchises in the St. Petersburg, Florida area.

B. *United States v. Davis et al.*, Case No: 2:17-cv-10055-DPH-MKM (E.D. Mich.) (the “Davis Litigation”): judgment entered in favor of the United States in September 2017 against a former Liberty Tax Service store manager in Detroit, Michigan;

C. *United States v. Comer et al.*, Case No: 2:16-cv-10299-PDB-SDD (E.D. Mich.) (the “Comer Litigation”): judgment entered in favor of the United States in November 2016 against a Liberty Tax Service franchisee who operated in Detroit, Michigan.

209

D. *United States v. Haynes*, Case No: 3:16-cv-00373-MGL (D.S.C.) (the “Haynes Litigation”): judgment entered in favor of the United States in October 2016 against a Liberty Tax Service area developer and franchisee in Columbia, South Carolina.

E. *United States v. Kone et al.*, Case No: 1:16-cv-02441-JFM (D. Md.) (the “Kone Litigation”): judgment entered in favor of the United States in August 2016 against a Liberty Tax Service franchisee shortly after her criminal conviction by the State of Maryland arising from her operation of Liberty Tax Service stores in Baltimore.

F. *United States v. Sanchez*, Case No: 8:16-cv-00083-JVS-DFM (C.D. Cal.) (the “Sanchez Litigation”): judgment entered in favor of the United States in March 2016 against a Liberty Tax Service franchisee operating in central California.

G. *United States v. Ahmed, et al.*, Case No: 2:15-cv-11461-GAD-EAS (E.D. Mich.) (the “Ahmed Litigation”): judgment entered in favor of the United States in November 2015 against a Liberty Tax Service franchisee who operated multiple Liberty Tax Service stores in Illinois and Michigan.

H. *United States v. Hueble*, Case No: 8:15-cv-02213-HMH (D.S.C.) (the “Hueble Litigation”): judgment entered in favor of the United States in October 2015 against a franchisee operating Liberty Tax Service stores in South Carolina.

I. *United States v. Brock*, Case No: 1:14-cv-00157-LG-JMR (S.D. Miss.) (the “Brock Litigation”): judgment entered in favor of the United States in April 2014 against a Liberty Tax Service franchisee operating in Mississippi and Florida.

J. *United States v. Leger, et al.*, Case No: 1:13-cv-03153-TWT (N.D. Ga.) (the “Leger Litigation”): judgment entered in favor of the United States in January 2014 against a Liberty Tax Service franchisee in Georgia.

210

Earned Income Tax Credit Fraud

15. The Earned Income Tax Credit (“EITC”) is a benefit for working taxpayers with low to moderate income. The amount of the EITC for which taxpayers may qualify increases in relation to their “earned income” until they reach a certain threshold, over which they become ineligible to claim the EITC. The EITC of a qualifying taxpayer increases with each additional eligible dependent claimed, up to three dependents. Therefore, under some circumstances, a taxpayer may improperly qualify for the EITC by reporting fictitious income.

16. Income that can qualify a taxpayer for the EITC includes:

A. Wage income by employers as reported on federal Forms W-2 and line 7 on Form 1040 federal income tax returns (“W-2 Income”);

B. Income earned by individuals who do business as sole proprietorships, which taxpayers report on Schedule C on Form 1040 federal income tax returns (“Schedule C Income”). Individuals with Schedule C Income are subject to self-employment taxes; and

C. Wages earned from household work (“HSH Income”), such as housekeeping, babysitting, gardening, and other services, when the taxpayer’s annual income is less than an amount that the IRS requires employers to report on a Form W-2. Taxpayers who properly report HSH Income are not subject to self-employment taxes.

17. Unlike W-2 Income, the IRS does not receive independent verification from an employer of the existence and amount of a taxpayer’s Schedule C Income or HSH Income. Therefore, the accuracy of Schedule C Income and HSH Income reported on a federal income tax return used to claim the EITC depends upon the taxpayer and his/her tax return preparer.

211

18. The IRS estimates that between 21% and 26% of EITC claims are paid in error – both due to unintentional error as well as intentional disregard of the law. Given the potential for abuse in claiming the EITC, Congress authorized the Secretary of the Treasury to impose due diligence requirements on federal tax return preparers claiming the EITC for their customers. Due diligence requirements mandate that a tax return preparer must conduct an inquiry to verify whether his/her customer qualifies for the EITC amount claimed and must not know, or have reason to know, that any information used by the tax return preparer in determining the taxpayer's eligibility for, or the amount of, the EITC is incorrect. To verify compliance with due diligence requirements, a due diligence questionnaire must be submitted to the IRS along with any claim for the EITC.

19. In addition, federal law requires tax return preparers to retain records of individuals for whom they prepare federal tax returns, including copies of documents the preparer relied upon when preparing a federal tax return that claims the EITC. Liberty Tax Service stores typically retain these records in hardcopy customer files located either at each store or storage locations near each store.

20. A substantial portion of the tax returns prepared at Liberty Tax franchise and company-owned store locations and electronically filed with the IRS by Liberty Tax claim the EITC. For tax years from 2012 to 2018, approximately 41% of federal income tax returns that Liberty Tax electronically filed with the IRS included a claim the EITC – more than double the proportion compared against all other federal income tax returns electronically filed with the IRS during that period. In total, the EITC claimed by federal tax returns electronically filed by Liberty Tax during this timeframe exceeded \$12 billion.

212

21. At the Liberty Tax Service stores operated by 10 of the 12 individuals sued in the civil law enforcement actions commenced by the United States referenced above, including against Doletzky, Garno, Bass, Davis, Comer, Haynes, Kone, Sanchez, Ahmed, and Hueble, tax return preparers committed EITC fraud and violations of earned income due diligence requirements when reporting Schedule C Income on federal income tax returns. Specifically, during a period from 2010 to as recently as 2016, employees of Liberty Tax Service stores owned or operated by these Liberty Tax Service franchisees (and in some instances, these individuals personally) prepared federal income tax returns for customers that claimed false EITCs by:

- A. Reporting Schedule C Income for businesses that did not exist.
- B. Reporting inflated Schedule C income for customers who had Schedule C businesses in order to increase the amount of the claimed EITC.
- C. Ignoring earned income due diligence requirements by failing to ask questions to customers appearing on due diligence forms, reporting false responses to due diligence questions, or otherwise failing to make reasonable inquiries as to whether the Schedule C Income as well as Schedule C expenses reported on the tax return were accurate or existed.
- D. Failing to comply with federal law requiring retention of customer records within Liberty Tax Service customer files to support claims for the EITC, including documents that preparers reported on federal income tax returns as records they relied upon to claim the EITC.

213

E. Completing blank forms provided by Liberty Tax with false information to include in customer files to give the appearance that preparers interviewed customers to reconstruct Schedule C Income when customers lacked business records.

22. Similarly, at four of the Liberty Tax franchisees sued by the United States (Kone, Doletzky, Bass, and Garno), employees of these Liberty Tax Service stores (and in some instances, these individuals personally) prepared federal income tax returns that reported false HSH Income in order to claim the EITC for customers. Each of these four Liberty Tax franchisees recruited customers, including homeless individuals, and then prepared fraudulent federal income tax returns on their behalf that reported fake HSH Income to claim the EITC or incorrectly reported Schedule C Income as HSH Income, thereby evading self-employment taxes. For example:

A. In 2015, the Liberty Tax Service franchise owned and operated by Kone prepared over 1,000 tax returns that claimed HSH Income and the EITC. The fraudulent tax returns included over 350 tax returns that each reported the exact same amount of HSH Income (\$6,400) and over 300 tax returns that each reported exactly \$7,200 of HSH Income.

B. At Liberty Tax Service stores operated by Doletzky, as a result of instructions he gave to his employees, during 2014 over 20% of federal income tax returns (*i.e.*, over 800 tax returns) prepared at his offices claimed HSH Income and the EITC. Doletzky's employees: (a) concocted non-existent HSH Income to report on tax returns and claim the EITC without the customers' knowledge; (b) claimed HSH Income on tax returns to qualify the customer for the EITC for work that should have been reported as Schedule C Income subject to self-employment taxes; and (c) reported HSH

214

Income and claimed the EITC on tax returns for customers who signed blank HSH forms that included no information as to the amount or source of *any* income.

23. Liberty Tax transmitted tax returns to the IRS, prepared at Liberty Tax Service stores operated by Doletzky, Garno, Bass, Davis, Comer, Haynes, Kone, Sanchez, Ahmed, and Hueble, that reported false Schedule C and/or HSH Income and made fraudulent claims for the EITC. Liberty Tax had notice (or should have had notice) of EITC fraud involving Schedule C and HSH Income at Liberty Tax Service franchise locations, but failed to take adequate measures to stop the practice. For example:

A. Liberty Tax tracked data showing anomalous patterns involving Schedule C and EITC claims on tax returns prepared at Liberty Tax Service franchise locations that the United States later sued in U.S. District Court, including risk assessments of potential fraud. In response to these reports, however, Liberty Tax neither conducted sufficient inquiries, such as onsite reviews of these store locations, to stop Schedule C/EITC fraud, nor otherwise required these franchisees to provide Liberty Tax with support to verify claims for the EITC based on Schedule C Income.

B. Federal tax returns prepared at locations owned by these Liberty Tax Service franchisees that claimed false HSH Income used nearly identical forms that franchisees distributed among themselves. Liberty Tax neither required franchisees to obtain approval for these forms, nor adequately examined practices at these Liberty Tax Service franchisees involving these forms. A review of customer files at franchisee locations by Liberty Tax, including these HSH forms, would have revealed the fraudulent nature of HSH Income/EITC claims at Liberty Tax Service stores because: (1) non-compliance with EITC due diligence requirements and the absence of documentation

215

substantiating reported HSH Income was evident from the HSH forms and associated customer files; (2) the forms often reported income that, even if valid, could not qualify as HSH Income because the income did not derive from household work, was in fact Schedule C Income, and thereby evaded customer payment of self-employment taxes; and (3) the use of these identical or near-identical forms across multiple Liberty Tax Service franchisees revealed a pattern of their misuse and improper claims of HSH Income across multiple Liberty Tax Service franchisees.

C. In early January 2014, Liberty Tax, including its CEO at the time, John T. Hewitt, received complaints that franchisees had prepared tax returns with potentially false HSH Income/EITC claims. Despite these complaints, the number of e-filed tax returns transmitted to the IRS by Liberty Tax claiming HSH Income rose and the problem continued throughout the 2014 and later tax seasons. Specifically:

(i) EITC fraud involving HSH Income continued at Liberty Tax Service stores owned by Kone and Doletzky after Hewitt received complaints in 2014, continued as recently as 2015 at the Liberty Tax Service franchise owned by Garno, and as recently as 2016 at Liberty Tax Service stores owned by Bass (through his company).

(ii) As early as 2014, Liberty Tax programed its alert system to issue “fraud” or “red flag” alerts internally at Liberty Tax and to franchisees to identify franchisees that transmitted tax returns to Liberty Tax with abnormally high claims of HSH Income that included EITC claims, but the problem continued to at least 2016.

216

(iii) For the 2013 tax year (typically tax returns prepared in 2014), by the end of that tax season in April 2014, the number of tax returns Liberty Tax transmitted to the IRS that claimed HSH Income grew by 35% compared against e-filed tax returns for the 2012 tax year (typically tax returns prepared in 2013). Even as late as the 2014 tax year (typically tax returns prepared in 2015), the number of tax returns Liberty Tax transmitted to the IRS that claimed HSH Income was 24% above the volume filed for the 2012 tax year.

D. Although Liberty Tax had the right to terminate franchisees for violation of federal tax laws and regulations without notice under its franchise agreements, Liberty Tax failed to exercise this right, even in circumstances when it identified violations involving the EITC. In 2016, for example, Liberty Tax conducted an onsite compliance review of Garno's customer files, found errors in over 80% of the reviewed customer files that claim the EITC, and gave Garno an overall EITC compliance grade of "F." Nevertheless, Liberty Tax only terminated Garno as a Liberty Tax franchisee after the United States initiated a civil enforcement action against him in 2018.

*Improper Dependent Claims, False Expenses, Fraudulent Claims
for Refundable Education Credits, and PTIN Violations*

24. In addition to inflating income to claim improper EITC refunds, a pattern of additional misconduct existed at Liberty Tax Service franchisees that included the 12 franchisees, owners, former owners, or former managers sued by the United States in the civil enforcement actions described above. From as early as 2012 to as recently as 2017, these Liberty Tax Service franchisees prepared federal income tax returns that included improper dependent claims, false claims for expenses, fraudulent claims for refundable education credits, and violations of federal Preparer Tax Identification Number (“PTIN”) regulations as follows:

A. Nine of the 12 Liberty Tax franchisees or franchisee managers that the United States filed civil enforcement actions against, referenced above, also claimed improper dependents on federal income tax returns (Doletzky, Garno, Bass, Davis, Comer, Haynes, Sanchez, Ahmed, and Hueble). Typically, these claimed dependents had a relationship to the customer, but the preparer at the Liberty Tax franchise location either knew that the dependent did not qualify for that status, or failed to make sufficient inquiries to determine whether the claimed dependent qualified for that status. These dependent claims, in turn, resulted in erroneous tax refunds for tax returns claiming improper head-of-household filing status, child tax credits, or inflated EITC refunds.

B. Fraudulent claims for expenses reported on tax returns prepared at Liberty Tax Service stores occurred at 8 of the 12 Liberty Tax franchisees/franchisee managers listed above (Doletzky, Garno, Davis, Comer, Haynes, Sanchez, Ahmed, and Hueble). These expenses improperly reduced the federal income tax liabilities of Liberty Tax customers. In each instance, tax return preparers employed at the Liberty Tax franchised stores either reported bogus expenses on Schedule A of federal tax returns (*e.g.*,

218

unreimbursed employee expenses, medical expenses, mileage expenses in connection to employment), or fictitious losses from a sole proprietorship reported on Schedule C of federal income tax returns.

C. For 6 of the 12 Liberty Tax franchisees referenced above (Doletzky, Garno, Bass, Ahmed, Brock, and Leger), their employees prepared federal income tax returns that included false claims for refundable education credits. These credits were available to taxpayers with qualified education expenses at eligible educational institutions. Because these credits were refundable, if the credit reduced the tax to less than zero, the taxpayer received a tax refund. For example, customer tax returns prepared at Liberty Tax Service stores owned by Doletzky, Bass, and Garno (either individually or through their companies) claimed over 1,200 false education credits between 2013 and 2015 from educational institutions that never reported those expenses on IRS Forms 1098-T, which colleges and universities use to report education expenses to the IRS.

D. Preparer Tax Identification Number (“PTIN”) violations occurred at multiple Liberty Tax franchises. Anyone who prepares or assists in preparing federal tax returns for compensation must have a valid PTIN issued by the IRS. Paid preparers must include their PTIN on each tax return they prepare and file with the IRS, and the IRS prohibits individuals from sharing PTINs. PTINs serve as an essential part of tax administration and the Government’s effort to ensure compliance with the internal revenue laws by allowing the IRS to identify paid tax preparers on tax returns. At Liberty Tax Service stores owned or operated by five of the Liberty Tax franchisees referenced above (Doletzky, Garno, Bass, Comer, and Haynes), each improperly

219

employed individuals without PTINs to prepare tax returns and/or allowed employees to share PTINs.

25. Liberty Tax was capable of tracking (or in fact did track) each form of misconduct described in Paragraph 24 and had the ability, both in practice and legally under its franchise agreements, to take additional measures to prevent violations of federal law or terminate franchisees for those violations. For example:

A. Liberty Tax issued “red flag” or “fraud alerts” for franchisees that prepared unusually high numbers of tax returns that claimed refundable education credits. Nevertheless, Liberty Tax either took no action or took insufficient additional measures in response, such as onsite reviews of Liberty Tax Service stores. Onsite reviews or even remote reviews of customer files would have revealed the presence of unreliable (including incomplete and blank) “Education Expenses Detail Sheets” distributed among Liberty Tax franchisees to purportedly substantiate education credits in place of Forms 1098-T.

B. Liberty Tax’s systems tracked PTIN use. For example, in 2014, from those systems, Liberty Tax’s compliance personnel knew that at one of Doletzky’s Liberty Tax Service stores, of 1,597 tax returns prepared during that year, implausibly, 1,528 (*i.e.*, nearly 97%) of those returns identified two individuals as the only preparers of the returns.

C. Similarly, had Liberty Tax taken measures to review customer files located at these Liberty Tax Service stores, the company would have discovered the absence of required supporting documentation for claimed expenses reported on tax returns to improperly reduce customers’ federal income tax liabilities. These steps would

220

have also revealed inconsistent or lack of any documentation to support dependent claims reported on tax returns.

“Elite 18” and “Million Dollar Club” Franchisees

26. Liberty Tax marketed franchisees it considered top performers in the Liberty Tax Service system as examples for other franchisees to follow, including at meetings and events held by Liberty Tax for its franchisees.

27. Liberty Tax designated certain franchisees as the “Elite 18” of the Liberty Tax Service system. In April 2012, according to Liberty Tax, this status was “reserved” for top franchisees and “was created to recognize a special category of franchisees who’s [sic] performance and attitude have set the standard for the [Liberty Tax Service] organization.” Liberty Tax invited franchisee members of the “Elite 18” to attend special events, such as retreats led by senior executives of Liberty Tax.

28. Similarly, Liberty Tax created what it designated as the “Million Dollar Club” and selected franchisees to be its members. In September 2013, according to Liberty Tax, “[t]his club was formed to provide specialized trainings to select franchisees who have demonstrated an elevated pattern of success in the hopes that they will join the exclusive rank of ‘Elite 18,’ a group of franchisees who represent [the] highest revenue producing entities.” Liberty Tax informed franchisees that “[p]articipants of the Million Dollar Club [would] be invited to attend specialized training and conference calls held throughout the year,” including meetings with Liberty Tax’s then “CEO, John Hewitt and other franchisees producing at their level to discuss issues they deem important.”

29. Liberty Tax focused on the financial performance of franchisees when designating franchisees as “Elite 18” members or members of the “Million Dollar Club,” while failing to

maintain adequate controls to scrutinize the tax return preparation practices of those franchisees and/or failing to timely terminate franchisees despite indications of improper or fraudulent tax return preparation practices.

30. Of the 12 Liberty Tax franchisee Defendants referenced above, Liberty Tax designated 6 of them as members of the “Elite 18” or the “Million Dollar Club,” including Doletzky (Elite 18), Comer (Elite 18), Haynes (Million Dollar Club), Kone (Million Dollar Club), Sanchez (Elite 18), and Ahmed (Elite 18).

Necessity for an I.R.C. § 7402(a) Order

31. Liberty Tax’s annual report filed in 2019 admitted that the company “did not maintain effective internal control over financial reporting as of April 30, 2019,” and “[t]he control environment, risk assessment, control activities, information and communication, and monitoring controls were not effective. ‘Tone at the top’ issues contributed to an ineffective control environment.” Moreover, that annual report also disclosed weaknesses in “contemplating fraud risks,” “identifying and assessing changes in the business that could impact the system of internal controls,” and:

[M]aterial weakness relating to: (i) commitment to integrity and ethical values, (ii) the ability of the Board of Directors to effectively exercise oversight of the development and performance of internal control, as a result of failure to communicate relevant information within the organization and, in some cases, withholding information, (iii) appropriate organizational structure, reporting lines, and authority and responsibilities in pursuit of objectives, (iv) commitment to attract, develop, and retain competent individuals, and (v) holding individuals accountable for their internal control related responsibilities.

32. As described in detail above, common forms of tax fraud and tax law violations occurred across Liberty Tax Service franchisees, including the following (with an “X” indicating a common form of fraud/tax law violation):

	<i>Earned Income Tax Credit Fraud (fake income)</i>	<i>Fabricated Expenses (Schedule A or Schedule C)</i>	<i>False or Improper Dependents</i>	<i>Fraudulent Claims for Education Credits</i>	<i>PTIN Violations</i>
<i>Doletzky Litigation (Doletzky)</i>	X	X	X	X	X
<i>Doletzky Litigation (Garno)</i>	X	X	X	X	X
<i>Doletzky Litigation (Bass)</i>	X		X	X	X
<i>Davis Litigation</i>	X	X	X		
<i>Comer Litigation</i>	X	X	X		X
<i>Haynes Litigation</i>	X	X	X		X
<i>Kone Litigation</i>	X				
<i>Sanchez Litigation</i>	X	X	X		
<i>Ahmed Litigation</i>	X	X	X	X	
<i>Hueble Litigation</i>	X	X	X		
<i>Brock Litigation</i>				X	
<i>Leger Litigation</i>				X	

33. In sum, Liberty Tax's failure to maintain adequate controls over financial reporting extended to controls over tax returns prepared by its franchisees that it transmitted to the IRS. For each of the forms of fraud or improper claims reported on federal income tax returns addressed above, Liberty Tax tracked information that revealed anomalies that warranted further investigation or action by Liberty Tax. Liberty Tax, however, failed to take sufficient measures to prevent fraud and errors on tax returns prepared at its stores. In many cases, Liberty

Tax only terminated franchisees that filed fraudulent federal tax returns after the United States or other law enforcement agencies commenced actions against the franchisee. Liberty Tax knew or should have known of misconduct at Liberty Tax Service franchisees and failed to timely or to effectively act to prevent the continued filing of false or fraudulent federal income tax returns. For these reasons, an Order issued by this Court under I.R.C. § 7402(a) requiring Liberty Tax to take specific tax law compliance measures and implement and/or maintain specific controls to prevent the filing of false or fraudulent federal tax returns is “necessary or appropriate for the enforcement of the internal revenue laws.”

34. Moreover, the scope of the resources spent by the United States to date to enforce tax law compliance at Liberty Tax Service stores, as well as the harm discovered as a result, provide further support for the necessity and appropriateness of an Order by this Court under I.R.C. § 7402(a). Specifically:

A. For tax years from 2012 to 2016, the IRS has examined thousands of tax returns prepared at Liberty Tax Service stores and assessed over 25,000 separate penalties against tax return preparers for tax returns prepared at Liberty Tax’s franchises and company-owned tax return preparation stores.

B. For tax years from 2012 to 2017, the IRS conducted over 28,000 audits of Liberty Tax Service customer tax returns (excluding audits where a taxpayer failed to respond to the IRS’s notification of the audit). The IRS found that over 20,000 of their federal tax returns (*i.e.*, over 70%) prepared at Liberty Tax Service stores required changes to correct false or incorrect items reported on each return.

C. Since 2012, IRS agents spent over 20,000 hours investigating Liberty Tax Service franchisees for potential referrals to the Department of Justice to commence civil

enforcement actions against them, or otherwise supported Department of Justice attorneys in filed civil actions in U.S. District Courts.

D. Since 2012, litigation teams at the Tax Division of the Department of Justice spent over 8,000 hours to date on the 10 individual franchise cases filed in U.S. District Courts (referenced above) on both pre-suit matters and post-filing of complaints.

35. As addressed above, Liberty Tax Service files over 1 million tax returns each year and is one of the largest tax preparation companies in the United States. Liberty Tax has the capacity to maintain and, ultimately, improve controls to prevent the filing of false or fraudulent federal tax returns with the IRS. At the same time, the United States, including the IRS, has finite resources to detect false or fraudulent federal income tax returns, recoup improper tax refunds, and initiate civil enforcement actions in U.S. District Courts. Therefore, court-ordered enhancements to Liberty Tax's tax law compliance measures through an Order under I.R.C. § 7402(a) are "necessary or appropriate for the enforcement of the internal revenue laws."

REQUESTED RELIEF UNDER I.R.C. § 7402(a)

36. The United States incorporates by reference paragraphs 1 through 35.

37. Under I.R.C. § 7402(a), this District Court has "such jurisdiction to make and issue in civil actions, writs and orders of injunction ... and such other orders and processes, and to render such judgments and decrees as may be necessary or appropriate for the enforcement of the internal revenue laws."

38. Unless the Court enters an order pursuant to I.R.C. § 7402(a) that requires Liberty Tax to refrain from specific acts and to enact and/or maintain specific controls to prevent the preparation of false or fraudulent tax returns at Liberty Tax Service stores, Liberty Tax Service stores are likely to continue to engage in improper conduct, including the preparation of false or

225

fraudulent federal income tax returns. Without an I.R.C. § 7402(a) order, the United States will suffer irreparable injury by wrongfully providing federal income tax refunds to individuals not entitled to receive them.

39. The irreparable injury posed by the United States if the Court does not enter an I.R.C. § 7402(a) order outweighs the harm to Liberty Tax – in this instance the financial cost of maintaining and enhancing Liberty Tax’s controls to prevent the preparation of false or fraudulent tax returns at Liberty Tax Service stores.

40. An order pursuant to I.R.C. § 7402(a) is in the public interest because, backed by the Court’s contempt power if needed, it will cause Liberty Tax to refrain from specific acts and to enact and/or maintain specific controls to prevent the preparation of false or fraudulent tax returns at Liberty Tax Service stores. The impact of an I.R.C. § 7402(a) order, and the resulting benefit to the public fisc from the filing of accurate federal income tax returns is a particularly compelling public interest given the size of Liberty Tax’s business – transmitting over 1 million federal income tax returns to the IRS each year.

41. Pursuant to I.R.C. § 7402(a), the Court should enter an order requiring Liberty Tax, and all those in active concert or participation with Liberty Tax, to enact and/or maintain specific controls to prevent the preparation of false or fraudulent tax returns at Liberty Tax Service stores and to prevent the transmission of false or fraudulent tax returns by Liberty Tax to the IRS.

WHEREFORE, the United States seeks, *inter alia*, a Section 7402(a) Order that:

- A. Permanently bars Liberty Tax from hiring or otherwise engaging John T. Hewitt, founder and former chief executive officer of Liberty Tax, as an executive, advisor, consultant, employee, area developer, or franchisee of Liberty Tax as well as from

226

nominating John T. Hewitt to Liberty Tax's board of directors (or the board of directors of any parent entity or entities of Liberty Tax) or granting John T. Hewitt any options or other rights to acquire any equity interest in Liberty Tax (or any parent entity or entities of Liberty Tax).

- B. Requires Liberty Tax to fully disclose in writing to the United States the content and findings of any internal or external review or investigation within the past sixty (60) months of officers or employees of Liberty Tax that found violations under Title 26 of the U.S. Code by the officer or employee or any willful, reckless, or negligent failure by the officer or employee to prevent violations of Title 26 of the U.S. Code.
- C. Permanently bars Liberty Tax from hiring or otherwise engaging as officers or employees of Liberty Tax any individual who:
 - 1. Violated Title 26 of the U.S. Code or willfully, recklessly, or negligently failed to prevent violations of Title 26 of the U.S. Code according to any internal or external review or investigation conducted by Liberty Tax;
 - 2. Liberty Tax terminated in whole or in part due to a failure, individually or through ownership of any entity, to comply with federal tax laws; and
 - 3. Based on inquiry by Liberty Tax had an Electronic Filing Identification Number ("EFIN") revoked by the IRS (that was not subsequently reinstated by the IRS), had a Preparer Tax Identification Number ("PTIN") revoked by the IRS (that was not subsequently reinstated by the IRS), was assessed penalties under Titles 26 or 31 of the U.S. Code, or has more than \$5,000 of outstanding federal tax liabilities and has not entered into an installment plan with the IRS to pay such outstanding liabilities.

227

- D. Requires Liberty Tax to disclose findings of any conduct potentially subject to penalty under 26 U.S.C. §§ 6694, 6695, and/or 6701 and/or any potential criminal violation of the federal laws by tax return preparers at Liberty Tax Service stores to a law enforcement official designated to serve in that capacity by the United States for sixty (60) months.
- E. Requires Liberty Tax to maintain sufficient resources to monitor, detect, and report non-compliance with federal law, tax laws, and regulations, as well as to ensure effective quality control over tax return preparation throughout the Liberty Tax Service system.
- F. Requires Liberty Tax to implement onsite compliance measures at Liberty Tax Service stores, including, for no less than sixty (60) months, a minimum number of reviews of the content of customer files that examine specific items identified in any Order issued by this Court and a minimum number of mystery shopper visits that test compliance with the tax laws at Liberty Tax Service stores.
- G. Requires Liberty Tax to implement specific internal tax compliance enhancements to its training programs, to terms in its franchise agreements, and to its internal controls, including to Liberty Tax's: (1) internal red flag/fraud alert system; (2) procedures to blacklist individuals as tax return preparers who are a higher risk for preparing false or fraudulent federal tax returns; (3) controls to prevent unauthorized changes to federal tax returns prepared at Liberty Tax Services stores; (4) systems to automatically hold transmission of tax returns to the IRS prepared at Liberty Tax Service stores that have a high risk of false or fraudulent claims; and (5) minimum qualifications for individuals who work at Liberty Tax Service stores, train Liberty

228

Tax Service preparers, serve as area developers on behalf of Liberty Tax, or manage tax compliance staff at Liberty Tax.

- H. Requires Liberty Tax to enact specific substantiation requirements at Liberty Tax Service stores for tax returns that claim itemized deductions (Schedule A of a Form 1040 federal income tax return) or report income from a sole proprietorship (Schedule C of a Form 1040 federal income tax return) used to claim the Earned Income Tax Credit (EITC).
- I. Requires Liberty Tax to maintain a whistleblower program to encourage employees, franchisees, and franchisee employees to report suspected fraudulent activity.
- J. Requires Liberty Tax to notify any prospective purchaser of a franchise territory of information in its possession regarding the tax compliance history at pre-existing Liberty Tax Service stores in the franchise territory and any resulting actions taken by Liberty Tax regarding any related findings prior to the purchase.
- K. Imposes restrictions on Liberty Tax financial products and financial incentives to Liberty Tax Service customers.
- L. Requires Liberty Tax, at its own expense, to engage an independent monitor approved by the United States, to review, evaluate, and report to a civil law enforcement official designated by the United States: (1) Liberty Tax controls to prevent the preparation of false or fraudulent federal income tax returns at Liberty Tax Service stores; (2) Liberty Tax's controls to prevent the transmission of false or fraudulent tax returns by Liberty Tax to the IRS; and (3) Liberty Tax's compliance with all terms contained in any Order issued by this Court under I.R.C. § 7402(a) as result of this Complaint.

229

- M. Includes any additional requirements as the Court deems necessary or appropriate for the enforcement of the internal revenue laws pursuant to I.R.C. § 7402(a).

Dated: December 3, 2019.

Respectfully submitted,

G. ZACHARY TERWILLIGER
United States Attorney

RICHARD E. ZUCKERMAN
Principal Deputy Assistant Attorney General

By. /s/ James F. Bresnahan II
Russell J. Edelstein, Trial Attorney
MA Bar No. 663227
(*Pro Hac Vice* Application Pending)
James F. Bresnahan II, Trial Attorney
VA Bar No. 80164
Counsel for the United States of America
U.S. Department of Justice – Tax Division
P.O. Box 7238 – Ben Franklin Station
Washington, D.C. 20044
Phone: (202) 616-2704 (Edelstein)
Phone: (202) 616-9067 (Bresnahan)
Fax: (202) 514-6770
Email: russell.j.edelstein@usdoj.gov
Email: james.f.bresnahan@usdoj.gov

Sean D. Jansen, Assistant U.S. Attorney
VA Bar No. 82252
Office of the United States Attorney
Counsel for the United States of America
101 West Main Street, Suite 8000
Norfolk, VA 23510-1671
Phone: (757) 441-6331
Fax: (757) 441-6689
Email: sean.jansen@usdoj.gov

Dear US and Canadian Franchise Partners:

Today, we submitted a press release on behalf of NextPoint Financial addressing our ongoing restructure process. I would like to take this opportunity to provide further clarity on the statements made in the press release, ensuring that everyone is aligned with the steps being taken. These measures are crucial in establishing a solid financial foundation, and I am excited to share them with you.

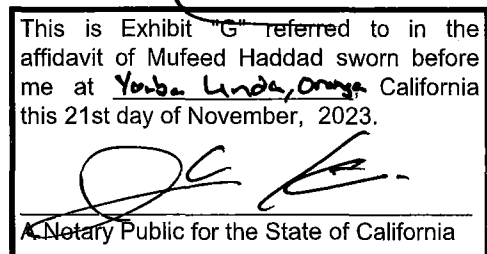
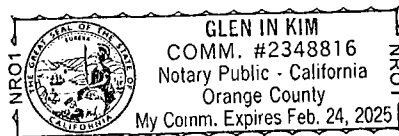
- **Sale of Liberty Tax and Community Tax:** The Supreme Court of British Columbia has granted approval for the sale of Liberty Tax and Community Tax to Basepoint Capital and Drake Enterprises, respectively. Both companies will continue to operate as strong partners under a single parent company structure, as they do today. The transaction is expected to officially close by mid-November, after obtaining approval from the US Delaware Court, which a hearing is scheduled for 11/6. The name of the new parent company has not been disclosed as of now.
- **Transfer of LoanMe and Other Assets:** Non-critical assets, liabilities, and contracts at NextPoint Financial that are unrelated to the future success of Liberty Tax and Community Tax will be transferred to a different entity and subsequently wound-down. In the press release, this entity is referred to as "ResidualCos," but you can think of it as encompassing NexPoint Financial, LoanMe, and any other components that will not be part of our future.
- **Board of Directors Changes:** The Board of Directors has resigned from NextPoint Financial since the entity is being wound-down. These Directors will not move forward to the new Liberty Tax and Community Tax company. Peter Kravitz, our Chief Restructuring Officer, will oversee the wind-down process of NextPoint Financial.
- **CEO Role:** I will remain as the CEO of the Liberty Tax/Community Tax company. I have resigned as the CEO of NextPoint Financial since that entity is being dissolved.

These are indeed exciting times for us. We have always been a resilient company with a strong brand, and now we are poised to continue our journey with new owners, a robust strategy, and a promising future. I would like to thank you all for your patience and unwavering support as we navigate through the final portions of the restructuring process.

We will continue to provide updates to you as we follow the conclusion of this process through the next few weeks. Should you have any questions, please continue to email them to questions@libtax.com or visit the Liberty Resource Center or Liberty Resource Centre.

Regards,

Scott Terrell | CEO





A Message to Our Franchisees: Strengthening Liberty Tax for the Future

July 25, 2023

Dear Franchisees,

Our franchise partners are absolutely essential to our business, and we have always believed that our relationship is based on mutual success. Today, I am writing to share an important step we are taking that will strengthen Liberty Tax for the future – and better enable us to succeed together.

As you know, our team has been working hard to grow our business by doubling down on our core strength in tax preparation and redefining our strategic vision through three pillars of success: growing and retaining customers, focusing on our valued franchise partners like you, and building a winning culture. With your support and partnership, we have made significant headway – even in a market environment that remains challenging and highly dynamic.

Notwithstanding our progress, Liberty Tax’s parent company, NextPoint Financial, continues to carry an unsustainable amount of legacy debt. We have been actively working with our lenders to address this.

Today, I am pleased to share that we have achieved a comprehensive solution. Our lenders have agreed to a sale transaction that will substantially reduce our debt and best position Liberty Tax for long-term success – all while operating as usual. To efficiently implement this agreed-upon transaction, NextPoint Financial Inc. and its subsidiaries have initiated Companies’ Creditors Arrangement Act (CCAA) proceedings in Canada and are seeking recognition of these proceedings in the U.S.

Business as Usual – No Changes for Liberty Tax Franchisees or Your Stakeholders

It is important to note that Liberty Tax franchises are not included in the proceedings. During this process, we anticipate no changes whatsoever to our relationship, and our agreement with you will remain in place. We have sufficient funds and will continue honoring all of our obligations to you – and you should plan to do the same.

For those who may be unfamiliar, CCAA and U.S. recognition proceedings are proven processes that allow a company to operate as usual while restructuring – or fixing – its finances and sometimes changing its ownership structure. That is exactly what we intend to do here.

The steps we are taking now will ensure that Liberty Tax and our franchise operators can continue on a path of mutual success. At the end of this process, we will enjoy a stronger, more stable franchise system – benefitting everyone – and be able to once again grow our franchise base as we work to enhance the Liberty Tax brand overall.

Supporting You & Ensuring You Are Prepared to Respond to Questions

I appreciate that you may have questions regarding this development. To hear more about our path forward, please be sure to watch my **video message** in the Liberty Resource Center, where you will also find a set of **FAQs**. If you have additional questions about the announcement, please submit them to questions@libtax.com, and we

will get back to you. For day-to-day matters, please continue to reach out to your field consultant. And as we move through this process, we will be sure to communicate around any notable developments.

Your staff members or customers may have questions about what this means for them. In the Liberty Resource Center, you will find a **Franchisee Toolkit**, which includes information to use in your responses. **The most important message to emphasize is that Liberty Tax is open for business, and customers can expect the same great experience and same access to the tax advice and tools they need.**

Consistent with normal protocol, if you receive an inquiry from a member of the media, please do not respond and instead immediately submit an issue in Issue Tracker so it can be escalated and handled appropriately.

Looking Ahead to Our Bright Future

As I have said before, Liberty Tax is a strong company with a proud brand and is part of an enterprise with incredible organizational resilience. The fundamental strength of our business model, the loyalty of our customers, and your fierce dedication are just a few of the many reasons why I am confident in our bright future. In taking this next step, we will be on stronger financial footing to build on Liberty Tax's legacy so that we can continue our mutual success together.

Above all, a huge thank you to each and every one of you for everything you do for Liberty Tax. I look forward to seeing many of you at Convention next month.

Regards,

Scott Terrell
CEO, NextPoint



**Franchisee FAQ
Strengthening Liberty Tax for the Future**

**** FOR INTERNAL USE ONLY – NOT FOR DISTRIBUTION ****

1. Will the CCAA/Chapter 15 proceedings affect franchisees?

No. Our Liberty Tax franchised locations are not included in the proceedings. During this process, we anticipate no changes whatsoever to our relationship, and our agreement with you will remain in place. We have sufficient funds and will continue honoring all of our obligations to you – and you should plan to do the same.

2. Will I be able to continue to run my existing franchised location(s) as usual?

Absolutely. Our Liberty Tax franchised locations, along with our other locations and businesses, will continue to operate as usual.

3. Will any franchises be closed as part of the process?

We have no current plans to close any franchises as part of the process. As always, we will continue to evaluate our franchised locations and franchise agreements as a matter of course.

4. Will Liberty Tax be able to open more franchised locations?

In the U.S., an active franchise disclosure document (FDD) is a requirement to open new franchises. While Liberty Tax recently has been unable to issue FDDs to new franchisees given its financial situation, we look forward to being able to issue new FDDs once we have a strengthened capital structure in place as a result of the transaction we just announced.

5. Will we still have the Convention in August?

Yes! We look forward to seeing you at the Liberty Tax Annual Convention on August 20-23 at the Gaylord Texan Resort & Convention Center in Grapevine. If you haven't already signed up to attend, the registration link is available in the Liberty Resource Center.

6. What do I tell my employees about the announcement?

You can tell your employees that Liberty Tax franchised locations are not included in the proceedings, and nothing will change for them. Liberty Tax is open for business as usual, and their day-to-day roles and responsibilities and the way we service customers will remain the same.

7. What do I tell my customers about the announcement?

You can tell customers that Liberty Tax is open for business, and customers can expect the same great experience and same access to the tax advice and tools they need.

8. What do I tell my vendors about the announcement?

You should tell your vendors that your franchised operation is not included in the court proceedings and everything will continue as usual.

9. What should I do if I am approached by the media?

Consistent with normal protocol, if you receive an inquiry from a member of the media, please do not respond and instead immediately submit an issue in Issue Tracker so it can be escalated and handled appropriately.

10. NEW: What is the legal notice I received about NextPoint’s court proceedings? Why did I receive it?

This notice has been mailed to various NextPoint stakeholders, including Liberty Tax franchisees, to announce the beginning of NextPoint’s financial restructuring process and keep stakeholders informed about the proceedings. This notice, like others you may receive during the course of the proceedings, is required by law, customary, and intended to be informational in nature. While most stakeholders will not be impacted by the proceedings, you should review the materials you received to determine if any action is required by you.

Please note that Liberty Tax franchised locations are not included in the proceedings referenced in the notice.

11. What if I have more questions about the CCAA/Chapter 15 proceedings?

You should feel free to submit any remaining questions to questions@libtax.com.

235

FORM 4

NOTICE BY DEBTOR COMPANY TO DISCLAIM OR RESILIAE AN AGREEMENT

To FTI Consulting Canada Inc., in its capacity as court-appointed monitor (the "Monitor"), and M&M Business Group L.P.,

Take notice that:

- 1. Proceedings under the Companies' Creditors Arrangement Act ("the Act") in respect of NextPoint Financial, Inc. and its subsidiaries, including JTH Tax, LLC (converted from JTH Tax, Inc.), were commenced on the 25th day of July, 2023 in the Supreme Court of British Columbia, Vancouver Registry under No. S-235288, which proceedings were recognized as foreign main proceedings under Chapter 15 of the U.S. Bankruptcy Code by the U.S. Bankruptcy Court for the District of Delaware, Case No. 23-10983, on the 16th day of August, 2023.
2. In accordance with subsection 32(1) of the Act, the debtor company gives you notice of its intention to disclaim or resiliate the following agreement (including any amendments thereto): Area Developer Agreement dated as of August 15, 2018 by and among JTH Tax, Inc. and M&M Business Group L.P. (Entity 2532).
3. In accordance with subsection 32(2) of the Act, any party to the agreement may, within 15 days after the day on which this notice is given and with notice to the other parties to the agreement and to the Monitor, apply to court for an order that the agreement is not to be disclaimed or resiliated.
4. In accordance with paragraph 32(5)(a) of the Act, if no application for an order is made in accordance with subsection 32(2) of the Act, the agreement is disclaimed or resiliated on the 26th day of November, 2023, being 30 days after the day on which this notice has been given.

Dated at Hurst, Texas on October 27, 2023

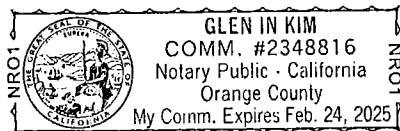
DocuSigned by: Scott Terrell NextPoint Financial, Inc.

The Monitor approves the proposed disclaimer or resiliation.

Dated at Vancouver, British Columbia on October 27, 2023

This is Exhibit "H" referred to in the affidavit of Mufeed Haddad sworn before me at Orange County, California this 21st day of November, 2023. Notary Public for the State of California

DocuSigned by: Craig Munro FTI Consulting Canada, Inc.



236**FORM 4****NOTICE BY DEBTOR COMPANY TO DISCLAIM OR RESILIAE AN AGREEMENT**

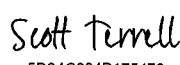
To FTI Consulting Canada Inc., in its capacity as court-appointed monitor (the "**Monitor**"), and Mufeed Haddad,

Take notice that:

1. Proceedings under the *Companies' Creditors Arrangement Act* ("**the Act**") in respect of NextPoint Financial, Inc. and its subsidiaries, including JTH Tax, LLC (converted from JTH Tax, Inc.), were commenced on the 25th day of July, 2023 in the Supreme Court of British Columbia, Vancouver Registry under No. S-235288, which proceedings were recognized as foreign main proceedings under Chapter 15 of the U.S. Bankruptcy Code by the U.S. Bankruptcy Court for the District of Delaware, Case No. 23-10983, on the 16th day of August, 2023.
2. In accordance with subsection 32(1) of the Act, the debtor company gives you notice of its intention to disclaim or resiliate the following agreement (including any amendments thereto):

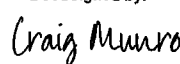
Area Developer Agreement dated as of February 28, 2014 by and among JTH Tax, Inc. and Mufeed Haddad (Entity 7700).
3. In accordance with subsection 32(2) of the Act, any party to the agreement may, within 15 days after the day on which this notice is given and with notice to the other parties to the agreement and to the Monitor, apply to court for an order that the agreement is not to be disclaimed or resiliated.
4. In accordance with paragraph 32(5)(a) of the Act, if no application for an order is made in accordance with subsection 32(2) of the Act, the agreement is disclaimed or resiliated on the 26th day of November, 2023, being 30 days after the day on which this notice has been given.

Dated at Hurst, Texas on October 27, 2023

DocuSigned by:

5B94C934D175472...
NextPoint Financial, Inc.

The Monitor approves the proposed disclaimer or resiliation.

Dated at Vancouver, British Columbia on October 27, 2023

DocuSigned by:

A74E983346254A5...
FTI Consulting Canada, Inc.

237

FORM 4

NOTICE BY DEBTOR COMPANY TO DISCLAIM OR RESILIAE AN AGREEMENT

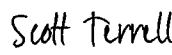
To FTI Consulting Canada Inc., in its capacity as court-appointed monitor (the "Monitor"), and Mike Budka and Mufeed Haddad,

Take notice that:

- 1. Proceedings under the *Companies' Creditors Arrangement Act* ("the Act") in respect of NextPoint Financial, Inc. and its subsidiaries, including JTH Tax, LLC (converted from JTH Tax, Inc.), were commenced on the 25th day of July, 2023 in the Supreme Court of British Columbia, Vancouver Registry under No. S-235288, which proceedings were recognized as foreign main proceedings under Chapter 15 of the U.S. Bankruptcy Code by the U.S. Bankruptcy Court for the District of Delaware, Case No. 23-10983, on the 16th day of August, 2023.
- 2. In accordance with subsection 32(1) of the Act, the debtor company gives you notice of its intention to disclaim or resiliate the following agreement (including any amendments thereto):

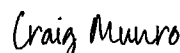
Area Developer Agreement dated as of July 13, 2018 by and among JTH Tax, Inc. and Mike Budka and Mufeed Haddad (Entity 4711).
- 3. In accordance with subsection 32(2) of the Act, any party to the agreement may, within 15 days after the day on which this notice is given and with notice to the other parties to the agreement and to the Monitor, apply to court for an order that the agreement is not to be disclaimed or resiliated.
- 4. In accordance with paragraph 32(5)(a) of the Act, if no application for an order is made in accordance with subsection 32(2) of the Act, the agreement is disclaimed or resiliated on the 26th day of November, 2023, being 30 days after the day on which this notice has been given.

Dated at Hurst, Texas on October 27, 2023

DocuSigned by:

 5D34C834D175472
 NextPoint Financial, Inc.

The Monitor approves the proposed disclaimer or resiliation.

Dated at Vancouver, British Columbia on October 27, 2023

DocuSigned by:

 A74F9893162544E
 FTI Consulting Canada, Inc.

238

FORM 4

NOTICE BY DEBTOR COMPANY TO DISCLAIM OR RESILIATE AN AGREEMENT

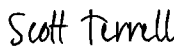
To FTI Consulting Canada Inc., in its capacity as court-appointed monitor (the "Monitor"), and Mufeed Haddad,

Take notice that:

- 1. Proceedings under the *Companies' Creditors Arrangement Act* ("the Act") in respect of NextPoint Financial, Inc. and its subsidiaries, including JTH Tax, LLC (converted from JTH Tax, Inc.), were commenced on the 25th day of July, 2023 in the Supreme Court of British Columbia, Vancouver Registry under No. S-235288, which proceedings were recognized as foreign main proceedings under Chapter 15 of the U.S. Bankruptcy Code by the U.S. Bankruptcy Court for the District of Delaware, Case No. 23-10983, on the 16th day of August, 2023.
- 2. In accordance with subsection 32(1) of the Act, the debtor company gives you notice of its intention to disclaim or resiliate the following agreement (including any amendments thereto):

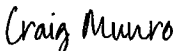
Area Developer Agreement dated as of August 15, 2018 by and among JTH Tax, Inc. and Mufeed Haddad (Entity 4693).
- 3. In accordance with subsection 32(2) of the Act, any party to the agreement may, within 15 days after the day on which this notice is given and with notice to the other parties to the agreement and to the Monitor, apply to court for an order that the agreement is not to be disclaimed or resiliated.
- 4. In accordance with paragraph 32(5)(a) of the Act, if no application for an order is made in accordance with subsection 32(2) of the Act, the agreement is disclaimed or resiliated on the 26th day of November, 2023, being 30 days after the day on which this notice has been given.

Dated at Hurst, Texas on October 27, 2023

DocuSigned by:

 5D34C934D175472...
 NextPoint Financial, Inc.

The Monitor approves the proposed disclaimer or resiliation.

Dated at Vancouver, British Columbia on October 27, 2023

DocuSigned by:

 A71F983316254A5...
 FTI Consulting Canada, Inc.