

Lauren Smith Madden

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# VIA OVERNIGHT DELIVERY SERVICE

Greg Carlson Commerce Analyst Securities Registration & Enforcement Section MN Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101

Buji, LLC under license from ActionCoach North America, LLC/6149 Re:

Dear Mr. Carlson:

We are in receipt of your second letter of deficiency notification relating to the franchise registration application for Buji, LLC. In response to your letter, enclosed please find (i) redlined copies of all revised pages, and (ii) a clean copy of the revised pages.

In response to outstanding deficiency Item 3, please note that there is no separate Exhibit in the Buji, LLC Franchise Disclosure Document for agents of service of process. Exhibit I, which was revised in response to your first letter of deficiency notification to correct the Minnesota address, is for both State Regulatory Authorities and Registered Agents in Certain States.

In response to the Item 19 Financial Performance Presentation comments, we have removed the Average Monthly figures from Tables 1, 4, 5 and 6. Further, we have reformatted the redlines in an effort to make them more readable.

Please do not hesitate to contact me with any questions.

Sincerely,

Lauren A. Madden

Lauren Smith Madden

Enclosures

0131224.0625795 4827-4410-9684v1



## **ITEM 19**

## FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Except as set forth in the Tables below, we do not furnish or authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of an ActionCOACH franchise. Actual results will vary from franchise to franchise and we cannot estimate or predict the results of any particular franchise due to a number of external and internal factors which we are unable to determine, including but not limited to, your management and time commitment, your ability and diligence to follow our systems, competition, demand for our services, economic and market conditions and market demographics.

All data in this Item 19 were based on unaudited data reported by outlets in the ActionMEMBERS Key Performance Indicator System on a voluntary basis. All amounts are in US Dollars.

Table 1 is a historical representation of the unaudited average annual and average monthly Collected Revenues (as defined below) reported by the 16 outlets (or 84% of the total 19 outlets as of the fiscal year ending December 31, 2017) in the Territory that operated for a consecutive 12 month period for the fiscal year ending December 31, 2017 (the "Benchmark Outlets"). The 16 Benchmark Outlets (a) have all been operating for at least 12 months as of December 31, 2017, (b) are all located in the Territory, and (c) include all types of ActionCOACH Business Coach franchise outlets except for the FIRM Business Coach franchise model. None of the Benchmark Outlets are company-owned. These criteria were chosen to present historical data that covered 1 full year of an outlet's operations.

## Table 1 - Unaudited Average Collected Revenues in the Territory

Average	<del>Average</del> <del>(Monthly)</del>	Reached	<ul> <li>Outlets that</li> <li>/Exceeded</li> <li>erage</li> </ul>			
(Annual)		Percenta ge	No. of Coaches	High Amount (Annual)	Median	Low Amount (Annual)



\$198,095 <b>\$16,507</b>	44%	7	\$470,707	\$180,712	\$9,618	
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Table 2 is a historical representation of the unaudited Collected Revenues of each of the Benchmark Outlets for the fiscal year ending December 31, 2017.

Collected Revenues		Collected Revenues		
1	\$470,707	9	\$179,230	
2	\$352,093	10	\$135,610	
3	\$340,417	11	\$129,788	
4	\$283,225	12	\$121,128	
5	\$277,636	13	\$118,141	
6	\$224,362	14	\$101,190	
7	\$214,172	15	\$30,000	
8	\$182,195	16	\$9,618	

#### Notes:

(1) "Collected Revenues" means the amount of the total fees applicable to the services performed or products sold by or in connection with the Business that were actually collected by an outlet from its Clients (which reflects, among other things, any discounts or rebates applied by the outlet to the base fees that would otherwise have been charged to the Client). Any property or services received from Clients in exchange for Coaching Services will be included in Collected Revenues at their fair market value at the time received and actually collected. Collected Revenues also include any proceeds you may receive and actually collect from business interruption insurance. [Collected Revenues do not include sales taxes or credits such as the sale price of any products returned by Clients or other taxes that an outlet collects from Clients and pays directly to the appropriate governmental authorities.]

Some of the outlets may be working either together formally or informally to derive the (2) results above and may have received additional marketing or sales assistance from us. You may not receive additional assistance from us or ACNA.

#### SYSTEM INFORMATION

Tables 3 and 4 are historical representations of the unaudited average annual and average monthly Gross Revenues reported by 100 outlets or 76% of the total 131 outlets as of the fiscal year ended December 31, 2017. These 100 outlets (a) have all been operating for at least 12 months as of December 31, 2017, (b) reported Gross Revenues for at least 10 months during the same period; (c) are all located in the USA, and (d) include the following types of ActionCOACH Business Coach franchise outlets, namely, FIRM, PRACTICE (Pro), PRACTICE, PRACTICE Premium and the Practice (7 Years), which is no longer offered.

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