

FRANCHISE DISCLOSURE DOCUMENT

1073355 Ontario Limited Operating as Schooley Mitchell TM Head Office: 1030 Erie Street Stratford, Ontario, N4Z 0A1 888-311-6477 www.schooleymitchell.com

SCHOOLEY MITCHELLTM

As a franchisee, you will operate a business providing professional telecom consulting services, merchant services consulting services, truck load optimization services, and other consulting services to business clients under the name SCHOOLEY MITCHELLTM under certain standards of operation.

The total investment necessary to begin operation of a SCHOOLEY MITCHELL TM franchise is from \$49,000 to \$59,250, \$46,500 of which must be paid to the franchisor.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Note, however, that no government agency has verified the information contained in this document.

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact SCHOOLEY MITCHELL[™].

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise", which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.



ISSUANCE DATE: FEBRUARY 28, 2016 STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW OUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

- 1. EXCEPT FOR CLAIMS AGAINST YOU FOR INDEMNIFICATION AND ACTIONS SEEKING TO STOP YOU FROM USING OUR MARKS IN VIOLATION OF THE FRANCHISE AGREEMENT, THE FRANCHISE AGREEMENT REQUIRES THAT ALL DISAGREEMENTS BE SETTLED BY ARBITRATION. ALL ARBITRATIONS WILL BE CONDUCTED IN MICHIGAN. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN MICHIGAN THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT DELAWARE LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAWS IN YOUR HOME STATE. YOU MAY WANT TO COMPARE THESE LAWS. SOME STATE FRANCHISE LAWS PROVIDE THAT CHOICE OF LAW PROVISIONS ARE VOID. YOU MAY WANT TO INVESTIGATE WHETHER YOU ARE PROTECTED BY A STATE FRANCHISE LAW. PLEASE REFER TO ANY STATE-SPECIFIC ADDENDUM THAT MAY BE ATTACHED TO THIS DISCLOSURE DOCUMENT FOR DETAILS.
- 3. TO THE EXTENT NOT SUBJECT TO ARBITRATION, ANY CAUSE OF ACTION, CLAIM, SUIT OR DEMAND MUST BE BROUGHT IN A COURT OF COMPETENT JURISDICTION LOCATED IN DETROIT, MICHIGAN. IT MAY COST MORE TO LITIGATE WITH US IN MICHIGAN THAN IN YOUR HOME STATE.
- 4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay



this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

The following states have statutes that may supersede the Franchise Agreement, and other related agreements in your relationship with us. These statutes may affect the enforceability of provisions in the agreements relating to termination; transfer; renewal; covenants not to compete; choice of law; jurisdiction; venue selection; execution of waivers and releases of claims under the statutes; injunctive relief; waiver of rights to jury trial; punitive and liquidated damages, and other remedies; arbitration; and discrimination between franchisees: Arkansas (Ark. Code Ann. § 4-72-201 (West 2005)); California (Cal. Corp. code §§ 31000 - 31516 (West 2005), Cal. Bus. & Prof. Code §§ 20000 - 20043 (West 1994)); Connecticut (Conn. Gen. Stat. § 42-133e (2005)); Delaware (Del. Code Ann. tit. 6 § 2552 (West 2005), Haw. Rev. Stat. § 482E-1 - 482E-12(2005); Illinois (815 ILCS 705/1 - 44 (2006)); Indiana (Ind. Code §§ 1 - 51 (2005), Ind. Code Ann. § 23-2-2.7 (West. 2005); Iowa (Iowa Code § 523H.1 - 523H.17 (2005); Maryland (Md.Code Ann., Bus. Reg. §§ 14-201 - 14-233 (2005)); Michigan (Mich. Comp. Laws §§ 445.1501 -445.1545 (2005)); Minnesota (Minn. Stat. §§ 80C.01 - 80C.22 (2005), Minn. Stat. §§ 80C.01 -80C.14 (2005)); Missouri (Mo. Code Ann. § 75-24-51 (2005), Mo. Ann. Stat. § 407.400 (West2005)); Nebraska (Neb. Rev. Stat. § 87-401 (2005)); New Jersey (N.J. Stat. Ann. § 56:10-1(West 2005)); New York (N.Y. Gen. Bus. Law §§ 680 - 695(2005)); North Dakota (N.D. Cent.Code § 51-19-01 (2005)); Oregon (Or. Rev. Stat. §§ 650.005 - 650.085 (2005)); Rhode Island(R.I. Gen. Laws §§ 19-28.1-1 - 19-28.1-34 (2005)); South Dakota (S.D. Codified Laws Ann. §§37-5A-1 - 37-5A-87 (2005)); Texas (Tex. Rev. Civ. Stat. Ann. art. 16.01 (2005)); Virginia (Va.Code Ann. §§ 13.1-557 - 13.1-574 (2005)); Washington (Wa. Rev. Code §§ 19.100.010 -19.100.940 (2005); Wisconsin (Wis. Stat. §§ 553.01 - 553.78 (1996); Wis. Stat. §§ 135.01 -135.07 (2005)). These and other states may have fair practice laws and other civil statutes affecting contracts. There may also be State and Federal court decisions that affect the enforcement of provisions in the Franchise Agreement, and other related agreements.

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