

	PROVISION	SECTION IN AGREEMENT	SUMMARY
	business		
p.	Death or Disability of You	Section 11.6	Franchise may be assigned to an approved buyer who must complete training.
q.	Non-Competition Covenants after the Franchise Terminates	Section 10.3f	No competing business for 1 year within 25 miles of former Business or of another TeamLogic IT® Business for 1 year; Non-solicitation of clients/employees for 1 year.
r.	Non-Competition Covenants during Term of Franchise	Section 6.18	No involvement in competing business within 100 miles of Business.
s.	Modification of the Agreement	Section 13j	Automatic conformance to state law; otherwise only by signed amendment except that we may unilaterally revise the Manuals.
t.	Integration/Merger Clause	Section 13j	Only the terms of the Franchise Agreement, exhibits and all agreements signed with it are enforceable (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 12	Except for certain claims, all disputes must be arbitrated in Orange County, California (See Note 1)
v.	Choice of Forum	Section 13k	Litigation (or required arbitration) must be in California (See Note 1).
w.	Choice of Law	Section 13k	California law applies (See Note 1).

ITEM 18. PUBLIC FIGURES

We do not use any public figure to promote its franchise network.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide representations about the actual or potential financial performance of its franchised and/or franchisor-owned outlets if there is a reasonable basis for the representations, and if the representations are included in the disclosure document. Financial performance representations that differ 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 representation about performance at a particular location or under particular circumstances.

This item contains certain historical data as provided by our franchisees. Written substantiation for the financial performance representation will be made available to you upon reasonable request.

Some Businesses have sold or earned this amount. Your individual results may differ. There is no assurance you will sell or earn as much.

Importantly, the financial results of your franchise are likely to differ, perhaps materially, from the results summarized in this item.

You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the disclosure document, may be one source of information. The information presented in this item has not been audited to confirm its accuracy and we have relied on the information provided by each of the franchisees who reported sufficient 2014 financial statements to be included in this item. The characteristics of the included franchises do not differ materially from the franchises that are offered to prospective franchisees.

Income Statement (average) (20154)

	Total Submitted		Top 25% NOC \$	
	- Average -	% Net Sales	- Average -	% Net Sales
Businesses	<u>4137</u>		<u>1542</u>	
Franchisees	<u>3129</u>		7	
Hourly Services	\$ <u>186,5224.3</u>	<u>25.631.5</u>	\$ <u>454,4435.90</u>	<u>27.832.2</u>
Managed Services	<u>308,1231.1</u>	<u>42.232.5</u>	<u>688,2455.20</u>	<u>42.133.6</u>
Product Resale	<u>188,3217.7</u>	<u>25.830.6</u>	<u>418,2430.00</u>	<u>25.631.7</u>
Project, Consulting, Other	<u>47,238,700</u>	<u>6.55.4%</u>	<u>73,533,700</u>	<u>4.52.5%</u>
Subtotal Sales	<u>730,1711,7</u> nn	<u>100.0%</u>	<u>1,634,31,35</u> 1 800	<u>100.0%</u>
Gross Margin	<u>528,5497,4</u> nn	<u>72.469.9</u> %	<u>1,206,5959,</u> 200	<u>73.870.8</u> %
Tech Payroll & Related	<u>265,9221,1</u>	<u>36.431.2</u>	<u>589,6402,60</u>	<u>36.129.7</u>
Selling Expenses Costs & General & Admin	<u>46,242,100</u>	<u>6.35.9%</u>	<u>88,465,300</u>	<u>5.44.8%</u>
	<u>111,6407,8</u>	<u>15.315.1</u>	<u>211,8177,60</u>	<u>12.913.01</u>
Subtotal SG&A	<u>423,76372,</u> nn	<u>58.052.3</u> %	<u>889,8645,50</u> n	<u>54.447.6</u> %
Net Owners Compensation ("NOC")	\$ <u>104,8125,4</u> 00	<u>14.417.6</u> %	\$ <u>316,7313,80</u> 0	<u>19.423.2</u> %

On December 31, 20154, there were 8762 TeamLogic IT Businesses open and in operation in the United States. 2846 Businesses opened during 20152014, including 2-5 Businesses opened by an existing Franchisees; the remaining 2611 Businesses that opened in 20152014 are not included in this financial performance representation. Of the 5946 Businesses that were open prior to 20152014, 3129 franchisees representing 4137 Businesses reported sufficient 20152014 financial statements to be included in this financial performance representation. These 4137 Businesses represent 4873% of the Businesses that were opened prior to December 31, 20152014.

The "Total" financial representation is the average for the 3129 franchisees described above. Of these 3129 franchisees, 1 has been open ten full ~~nine~~ years, 121 open nine full ~~eight~~ years, 323 open eight full ~~seven~~ years, 3 open seven full ~~six~~ years, 3 open six full ~~years~~ 3 open five ~~years~~, 36 open five full ~~years~~ four ~~years~~, 876 open four full ~~years~~ three ~~years~~, 454 open three full ~~two~~ years, and 12 open two full ~~years~~, and 4 open one full ~~year~~.

Of the 3129 franchisees whose financial statements were used in the "Total" financial performance representation, 119, or 3631% had sales that exceeded the average "Subtotal Sales" for the "Total" average of \$730,100711,700.

Of the 3129 franchisees whose financial statements were used in the "Total" financial representation, 12 or 39% had NOC (Net Owners Compensation) that exceeded the NOC average of \$104,800125,400.

-The "Top 25% NOC" financial representation is the average for the 235% of Franchisees (7) with the highest NOC. Of these 7 franchisees, 1 has been open ten full nine years, 1 open nine full eight years, 2 open eight full years seven years, 2 open four full years, and 1 open 3 full years, 1 open three years and 1 open two years.

Of the 7 franchisees whose financial statements qualified for the Top 25% NOC in the financial performance representation, 342 had sales that exceeded the average "Subtotal Sales" of \$1,634,30354,800. Of these franchisees, 2 have been open eight & full years; 1 for four full years, and 1 for three 3 full years. These 2 franchisees have both been open for seven years.

Of the 7 franchisees whose financial statements qualified for the Top 25% NOC in the financial performance representation, 23 had NOC that exceeded the average of \$316,700331,800. Of these 23 franchisees, 1 has been open ten & full 9 years and 12 open for eight 10 full 7 years.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1
Systemwide Outlet Summary
For Years 2013, 2014, and 2015**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2013	51	52	+1
	2014	52	64	+12
	2015	64	88	+ 24
Company-Owned	2013	0	0	0
	2014	0	0	0
	2015	0	0	0
Total U.S. Outlets	2013	50	51	+1
	2014	51	62	+11
	2015	62	87	+ 25

**Table No. 2
Transfers of Outlets From Franchisees to New Owners (Other than Franchisor)
For 2013, 2014 and 2015**

Column 1 State	Column 2 Year	Column 3 Number of Transfers

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