

MAY 1 2 2014

ADDENDUM TO WHIRLYBALL FRANCHISE ENTERPRISES, LLC MULTI-STATE FRANCHISE DISCLOSURE DOCUMENT

The following are additional disclosures for the Franchise Disclosure Document of WhirlyBall Franchise Enterprises, LLC required by various state franchise laws Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures

CALIFORNIA

1 THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT

2 SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF BUSINESS OVERSIGHT BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT

3 OUR WEBSITE, www.whirlyball.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.corp.ca.gov

4 Item 3 of the Disclosure Document is amended to provide that neither the franchisor, nor any person in Item 2 of the Disclosure Document, is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 USCA 78a et seq, suspending or expelling such person from membership in that association or exchange

5 The following paragraphs are added at the end of Item 17 of the Disclosure Document

California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination or nonrenewal of a franchise If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control

The Franchise Agreement provides for termination upon insolvency This provision might not be enforceable under federal bankruptcy law (11 U S C A Secs 101 et seq)

You must sign a release if you renew or transfer your franchise The California Corporations Code voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516) Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043)

The Franchise Agreement contains a covenant not to compete that extends beyond the termination of the franchise This provision might not be enforceable under California law

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The Franchise Agreement requires binding arbitration at a suitable location chosen by the arbitrator that is within ten (10) miles of where we have our principal business address at the time the arbitration demand is filed (it is currently in Chicago, Illinois) You will be required to travel to that location and pay the expenses you incur in any such arbitration proceeding. You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040 5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California

The Franchise Agreement requires application of the laws of the State of Illinois This provision might not be enforceable under California law

ILLINOIS

1 The following Risk Factor is added to the State Cover Page of the Disclosure Document

THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN ILLINOIS AND BY ARBITRATION ONLY IN CITY AND STATE WHERE WE HAVE OUR PRINCIPAL BUSINESS ADDRESS AT THE TIME THE ARBITRATION DEMAND IS FILED (IT CURRENTLY IS IN CHICAGO, ILLINOIS) OUT-OF-STATE ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN ILLINOIS AND ARBITRATE WITH US IN OUR HOME CITY AND STATE THAN IN YOUR OWN STATE

2 Delete and replace the "Summary" section of Item 17(v) of the Disclosure Document with the following

Subject to arbitration obligation, litigation generally must be in courts located in Illinois

NEW YORK

1 The following information is added to the State Cover Page of the Disclosure Document

INFORMATION COMPARING FRANCHISORS IS AVAILABLE CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTMENT PROTECTION BUREAU, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THIS DISCLOSURE DOCUMENT



HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS DISCLOSURE DOCUMENT

2 Document The following paragraphs are added at the beginning of Item 3 of the Disclosure

Neither we, any predecessor, any person identified in Item 2, an affiliate offering franchises under our principal trademark, nor a parent or affiliate who induces franchise sales by promising to back us financially or otherwise guarantees our performance (i) has an administrative, criminal, or civil action pending against us, it, him, or her alleging a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations, or (ii) was a party to any material civil action involving the franchise relationship in the last fiscal year

Neither we, any predecessor, any person identified in Item 2, an affiliate offering franchises under our principal trademark, nor a parent or affiliate who induces franchise sales by promising to back us financially or otherwise guarantees our performance has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action alleging violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable allegations

Neither we, any predecessor, any person identified in Item 2, an affiliate offering or selling franchises within the past 10 years, nor a parent or affiliate who guarantees our performance is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, state, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, as a result of a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange, or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a franchise as a real estate broker or sales agent

3 The following paragraph is added at the beginning of Item 4 of the Disclosure Document

Neither we, a parent, nor any of our affiliates, predecessors, officers, or general partners have, during the 10-year period immediately preceding the date of the Franchise Disclosure Document (a) filed as debtor (or had filed against us, it, him, or her) a petition to start an action under the US Bankruptcy Code or any foreign bankruptcy laws, (b) obtained a discharge of our, its, his, or her debts under the US Bankruptcy Code or any foreign bankruptcy laws, or (c) was a

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