FRANCHISE DISCLOSURE DOCUMENT

ATC Healthcare Services, LLC
a Georgia limited liability company
1 Hollow Lane, Suite 201
Lake Success, NY 11042
(516) 750-1600
www.atchealthcare.com
businessdevelopment@atchealthcare.com

The franchise is to operate an "ATC Healthcare Services" franchised business that provides medical professional temporary and permanent staffing solutions to healthcare facilities. We offer both start-up and conversion franchises.

The total investment necessary to begin operation of a start-up ATC Healthcare Services single unit franchised business is $158,500 to $302,500. This includes $60,000 that must be paid to the franchisor or its affiliate. The total investment necessary to begin operation of an ATC Healthcare Services additional unit discount package is $304,500 to $592,500 for 2 units. This includes $87,500 to $107,500 that must be paid to the franchisor or its affiliate. The total investment necessary to begin operation of a single conversion franchise is $9,550 to $41,000. This includes $0 that must be paid to the franchisor or its affiliate. The total investment necessary to begin operation of a conversion ATC Healthcare Services additional unit discount package is $19,100 to $82,000 for 2 units. This includes $0 that must be paid to the franchisor or its affiliate.

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 the 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 Lynn Stewart at 1 Hollow Lane, Suite 201, Lake Success, NY 11042, and (516) 234-6545.

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: January 20, 2026

How to Use this Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information.

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
Is the franchise system stable, growing or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only ATC Healthcare Services business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an ATC Healthcare Services franchisee?	Item 20 or Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive that similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate you franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1) **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in New York. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in New York than in your own state.

2) **Mandatory Minimum Payments.** You must make minimum royalty payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

3) **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement, even if your spouse has no ownership interest in the franchise. This Guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

(a) A prohibition on the right of a franchisee to join an association of franchises.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months' advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) Failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Katharyn Barron
Michigan Department of Attorney General
525 W. Ottawa Street, 1st Floor
Lansing, Michigan 48933
(517) 335-7567

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Receipts

ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

The franchisor is ATC Healthcare Services, LLC ("we", "us", or "our"). In this Disclosure Document, we refer to the person or entity that will be signing the Franchise Agreement (defined below) as "you", "your", or "franchisee", which includes all franchise owners or partners if you are a corporation, partnership or other entity.

We are a Georgia limited liability company, originally formed as a corporation, ATC Healthcare Services, Inc., on September 24, 1985, and reorganized as a limited liability company, and renamed, on September 20, 2017. Our principal business address is 1 Hollow Lane, Suite 201, Lake Success, NY 11042. We operate under our business name ATC Healthcare Services and the trademarks described in Item 13 (the "Marks") and no other name. We currently do not own and operate any businesses of the type being franchised. We have offered franchises since May 1996.

Our agents for service of process are disclosed in Exhibit A.

Our Parents, Predecessors and Affiliates

We are a wholly owned subsidiary of ATC Healthcare, Inc., a Delaware corporation, located at 1 Hollow Lane, Suite 201, Lake Success, New York 11042, which was incorporated in 1983 ("Parent"). In addition to owning us, our Parent operates a temporary staffing business ("ATC Travel") from its principle address which places healthcare personnel (nurses and other healthcare personnel) recruited from one geographic area to work in another geographic area on a long-term (several weeks to several months) temporary contractual basis. Our Parent also operates an affiliated subsidiary called ATC Physician Services, LLC ("ATCPS"), a Delaware limited liability with the same principle address as our Parent. ATCPS will place physicians on short term and long term assignments (also known as *locum tenens*) and provide permanent placement services for physicians. You may compete with ATC Travel and ATCPS in filling travel assignments within your territory. Our Parent, ATC Travel and ATCPS do not provide services to franchisees nor have they offered franchises in any line of business. You will not be required to purchase or lease any product or service from our Parent, ATC Travel or ATCPS.

Our affiliate, CareBuilders at Home, LLC ("CBAH"), a Georgia limited liability company, is headquartered at 1 Hollow Lane, Suite 201, Lake Success, NY 11042, and is also a wholly owned subsidiary of our Parent. CBAH offers franchises for businesses operating primarily under the trademark "CareBuilders At Home" which provide in-home care services. These franchises are offered under a separate disclosure document. CBAH has been offering CareBuilders At Home franchises since January 2012 and as of September 30, 2025, CBAH had 28 CareBuilders At Home franchises open and operating. CBAH does not own or operate an ATC Healthcare Services business and is not an approved supplier of any product or service that you must purchase or lease.

We have no predecessors or other affiliates or parents required to be disclosed in this Item 1.

The Franchise Offered

We offer the right to establish and operate a business operating under the "ATC Healthcare Services" name and other Marks (the "Franchised Business") which provides medical professional temporary and permanent staffing solutions to healthcare facilities and providers such as hospitals, nursing homes, hospices and medical clinics (the "Services"). We offer both a start-up franchise option, a multi-

unit franchise option and a conversion franchise option. Your Franchised Business may not offer or provide home care personnel services, private duty personal care in the home, hospital or any other residence or residential facility where payment is not made by the facility. Your Franchised Business will solicit clients within your specified territory and will solicit personnel to be placed within your specified territory. All of the temporary personnel will be our employees and we will pay their salaries, but we are not the employer for and will not pay salaries to your employees, including your office staff.

If you qualify, we may offer you the right to establish and operate multiple Franchised Businesses under a multi-unit program. The Franchised Businesses you purchase under the multiple unit discount package will be developed and will operate in multiple separate territories which are determined and agreed upon before you sign the Franchise Agreement(s). Under the multi-unit program, you are required to have at least one "brick and mortar" physical location. We may, but are not required to, allow you to operate a virtual satellite office in one or more of your territories. A virtual satellite Office is an ATC Healthcare Services Office that does not have a "brick and mortar" office location and is only available under the multi-unit program. If you wish to establish a virtual satellite Office, you must request our consent in writing. The use of a virtual office is based on the size of the territory and your ability to provide medical professional temporary and permanent staffing solutions to healthcare facilities and providers on a local basis. If you are a conversion franchisee, you will already have your brick-and-mortar office.

You do not need to have experience in the healthcare industry before purchasing a franchise, but previous experience in the temporary or permanent staffing industry is helpful. You must employ at least one person with healthcare staffing experience in your Franchised Business. The types of staffing solutions you will provide include registered nurses, licensed practical nurses (in some states "LVNs"), Nurse Practitioners, Certified Nursing Assistants, Certified Medical Assistants, and similar healthcare professionals. You may not place physicians on assignment or on a permanent basis unless we provide written authorization to do so.

All care and Services provided to an ATC Healthcare Services client must be performed by a qualified healthcare professional. Qualifications are based on our credentialing and on-boarding requirements, as prescribed in the Operations Manual, including but not limited to compliance with all laws, client credentialing, criminal background checks, drug screening, driving records checks, satisfactory supervisory references, completion of an I-9 and an application. You are required to ensure compliance with each of these items and client credentialing at your expense. All healthcare providers are W2 employees of ATC Healthcare Services, LLC. We assume responsibility for our employees and compliance with employment contracts, if applicable, and any applicable laws. You will be required to inform us of all incidents related to our employees within 24 hours regardless of the severity. You may not take any action on our behalf or communicate independently with clients and/or any public authorities without the involvement of our compliance department and/or human resources officer.

You must operate your Franchised Business according to our business formats, methods, procedures, designs, layouts, standards, and specifications (the "System"). The System includes distinctive signage and design; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; financial control procedures; training and assistance; and advertising and promotional programs; all of which we may change, improve, and further develop, in our discretion. Certain aspects of the System are more fully described in this Disclosure Document and in our Operations Manual, which you should expect to evolve over time and which is provided to you as a franchisee. Your Franchised Business must offer the Services we specify. There is no minimum square footage in general office space for your Franchised Business that we require but you are prohibited from operating the Franchised Business from your home.

If you qualify to become a franchisee, you will sign our current form of franchise agreement (the "Franchise Agreement") which is included in this Disclosure Document as Exhibit C. You will not be permitted to sign your Franchise Agreement as an individual. You must have an entity formed, such as a corporation, limited liability company, or partnership, to operate your Franchised Business. Your legal entity and you individually as a guarantor will sign our Franchise Agreement. By signing the Franchise Agreement, you will be individually bound by the obligations contained in the Franchise Agreement.

Market and Competition

The primary market for the Services includes hospitals, nursing homes, hospices, medical clinics and similar medical facilities. You will compete with other businesses offering helathcare staffing services and placement of helathcare professionals. You may also compete with ATC Travel in filling travel assignments within your territory.

The medical staffing industry is fragmented, but growing, with many local and regional providers and vendor managers throughout the country providing nurses and other staffing solutions to hospitals and other healthcare providers. We believe that because the temporary staffing industry is dominated generally by large national companies that do not specialize in medical staffing, specialization in this field will give our franchisees a competitive edge.

Industry Specific Laws

There are or may be state and local laws, ordinances, regulations and standards applicable to your territory which will affect the establishment and operation of your Franchised Business. These laws, ordinances and standards include state and federal helathcare industry standards, local helathcare regulations, federal and state equal opportunity employment laws, and licensing standards. You should determine any and all laws and regulations applicable to your Franchised Business, your duties to comply with these laws and regulations, and the costs related to them. Some states may require additional licensing and permitting because the Franchised Business is a healthcare staffing agency.

You must obtain, maintain and own any helathcare or employment/staffing services permits, licenses or other authority required for your Franchised Business. In certain states we, as the employer of record of your temporary employees, must be licensed and if this is relevant to your Franchised Business, we will obtain any required licenses or permits. You must comply with any federal, state and local laws pertaining to labor and employment, including those laws pertaining to wages and work hours, in the vetting and hiring of the candidates you will provide to the healthcare facilities in your territory. Your failure to comply with any of these laws will be considered a material default of your Franchise Agreement.

We also recommend that you become aware of and monitor any pending legislation that may affect the operation of your Franchised Business.

ITEM 2
BUSINESS EXPERIENCE

Chairman of the Board – Stephen Savitsky

Mr. Savitsky has been our Chairman of the Board since 1994. Prior to that, Mr. Savitsky served as our President and Director from 1994 to 2022.

Chief Executive Officer (CEO) and Director – David Savitsky

Mr. Savitsky has been our CEO and Director since December 2001.

President - Eugenia Kelly Spencer

Ms. Spencer has been our President since February 2024. From June 2022 to January 2024 Ms. Spencer was an independent consultant in Falls Church, VA. From October 2018 to April 2022 Ms. Spencer was Vice President of Professional Services for Express Professional Services located in Oklahoma City, Oklahoma.

Chief Financial Officer – Edward Silver

Mr. Silver has been our Chief Financial Officer since October 2021. From January 2020 to October 2021, Mr. Silver was CFO at Citromax Industries in Carlstadt, New Jersey.

Senior Vice President of Nursing and Compliance – Rita Franklin

Ms. Franklin has been our Senior Vice President of Nursing and Compliance since July 2022. Prior to that, she served as our Vice President of Nursing and Compliance from April 2016 to July 2022.

Vice President, Franchise Development – Lynn Stewart

Ms. Stewart has been our Vice President, Franchise Development since December 2025. From May 2023 to January 2026 she was Director, Franchise Development for Authority Brands in Columbia, Maryland. From January, 2023 to April 2023 she was on hiatus in Manassas, Virginia. From April, 2020 to January, 2023 she was Vice President, Growth for Supporting Strategies in Boston, Massachusetts.

Vice President of Contracting - Cheryl Stein

Ms. Stein has been our Vice President of Contracting since January of 2020. Prior to that, Ms. Stein had been our Director of Contracts since February 2014.

Vice President of Sales and Operations – Jeremy Flowers

Mr. Flowers has served as our Vice President of Sales and Operations since June 2025. Prior to that he was Vice President of Operations for Cross Country Healthcare in Boca Raton, FL from June 2024 to June 2025. He was also a Senior Director at NuWest Healthcare in Bellvue, WA from February 2023 to June 2024 and Corporate Developer for Express Employment International in Oklahoma City, OK from September 2018 to February 2023.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

The initial franchisee fee for a new franchise is $50,000. If you are purchasing multiple units under the multiple unit discount package, you must purchase at least two units. The initial franchise fees under a multiple unit discount package for two units is $50,000 for the first unit and $37,500 for additional offices. The initial franchise fee is payable to us in a lump sum when you sign the Franchise Agreement, is deemed fully earned upon receipt and is not refundable under any circumstances and uniformly imposed. During the last fiscal year, we collected initial franchise fees ranging from $30,000 to $50,000.

From time to time we may offer special incentive programs as part of our franchise development activities. We have the right to offer, modify or withdraw any incentive program without notice to you. We currently offer an incentive program for qualified military veterans and active military personnel where we will discount the initial franchise fee by 25%. You must have been honorably discharged and provide a copy of your DD-214.

Initial Marketing Fee

You must pay us $10,000 as an initial marketing fee, which we will earmark for your use in the start-up phase of your Franchised Business. This currently includes 90 days of SEO, local searches and reviews, brand expanded campaigns such as geo fenced launch pages, and a launch package of product and materials for expositions, fairs, community events, grand openings and local advertising. These funds are not refundable and are uniformly imposed.

There are no other purchases from or payments to us or any of our affiliates that you must make before your Franchised Business opens for business.

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks (1)
Royalty Fee (2)	a) 45% of gross margin for revenue generated by temporary employee placements; and b) 45% of gross margin for revenue generated by temp-to-hire perm placements; and c) 15% of gross margin for revenue generated by permanent employee placements.	Monthly, within 60 days after the close of each month	After you itemize and prepare the required information, we collectively bill all customers in the system and receive all payments. We will deduct amounts due to us and pay the balance to you. The balance that we pay to you is referred to as the "distributed balance". In addition to the royalties outlined in this entry, for Conversion Franchises, you shall pay us (a) 35% of Gross Margin for "existing business" for a period of two (2) years; and (b) 45% of gross margin for revenue generated after the first two (2) years from existing

Type of Fee	Amount	Due Date	Remarks (1)
			business through the term of the Franchise Agreement.
Local Advertising	$500 or 2% of Total Revenue, whichever is greater (3)	Must be spent monthly	Payable to your local advertising suppliers. All advertising you propose to use must first be approved by us.
Brand Development Fee	1% of Total Revenue (3)	Monthly, within 60 days after the close of each month	If we or our designee establish a brand development fund for national, regional and/or local advertising programs, we will deduct this fee at the same time and in the same manner as the royalty fee.
Advertising Cooperative	Your pro rata share of the total advertising cost incurred by the cooperative	If incurred	Currently there are no advertising cooperatives in the System, you are not currently required to participate in a cooperative, and we do not expect to establish or approve the establishment of regional advertising cooperatives.
Additional Training On-Site	Our then-current per diem fee, plus reimbursement of expenses Current per diem fee = $800 – $1,200	On demand	Payable if (a) you request additional training at your site, or (b) we determine that you require additional training.
Transfer Fee	$15,000 $7,500 if the transfer is to an immediate family member $7,500 for additional territories that are being transferred at the same time to the same entity $1,000 for transfers among existing owners of the Franchised Business	Upon transfer	The Transfer Fee will be collected from you. We will not seek to collect this fee from the buyer of your Office. On the date of transfer, the total sum of all amounts due to you from us will be retained until all amounts due to us from you or clients have been satisfied.
Renewal Fee	$5,000	When Franchise Agreement renewed	

Type of Fee	Amount	Due Date	Remarks (1)
Delinquent Accounts	55% of the sale amount of the delinquent invoice, if you are in compliance (with you receiving 45% of said sale amount or collection) 100% of the delinquent invoice, if you are not in compliance.	As incurred	We will deduct this amount from your distributed balance. An invoice for temporary personnel services or permanent placement is delinquent 30 days after its due date.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims from your operation of the Franchised Business. Your obligation to indemnify us for any matter that arises out of your operation of the bsuiness is respective of whether a claim has been filed against you and whether your insurance provides coverage for the claim.
Costs and Attorneys' Fees	Will vary under circumstances	On demand	If you default under an agreement with us, you must reimburse us for the expenses we incur (such as attorneys' fees) in enforcing or terminating the agreement.
Management Fee	Our then-current per diem fee, plus reimbursement of our representative's expenses Current per diem fee = $1,200 to $1,800	If incurred	In certain circumstances, such as your death or disability, we may step in and manage your Franchised Business. If applicable, we will deduct this fee at the same time and in the same manner as the royalty fee.
Liquidated Damages	The amount equal to (i) the average monthly Royalty Fees you paid or (ii) the minimum Royalty Fee due, whichever is greater, during the 12 months of operation preceding the effective date of termination, multiplied by 24 (being the number of months in two full years).	15 days after termination for cause	

Type of Fee	Amount	Due Date	Remarks (1)
Late Opening Fee	$1,500	As incurred	Payable if you fail to open by the date required under your Franchise Agreement.
Repair, Maintenance, and Remodeling/ Redecorating	Will vary under circumstances not to exceed $2,500	As incurred	Payable to approved suppliers. You must regularly clean and maintain your Franchised Business and its equipment. We may require you to remodel or redecorate your Franchised Business to meet our then-current image for all franchised businesses. We will not require you to remodel or redecorate your Franchised Business more frequently than every five years.
Insurance and Bonds	Reimbursement of our costs	If incurred	If you do not maintain the required insurance and bonding coverages, we have the right (but not the obligation) to obtain insurance and bonds on your behalf. If we obtain insurance or bonds for you, we have the right to deduct our costs from any monies payable to you. If there is a claim, we will be responsible for up to 45% of the deductible (and you will be responsible for the remainder).
Interest on Overdue Amounts	1.5% per month or the highest rate allowed per law, whichever is less	If incurred	Interest accrues from the original due date until payment is made in full. Payable on amounts that are overdue to us.
Audit	Cost of the audit	If incurred	We have the right to conduct an audit of your financial records. If the audit shows a discrepancy of 3% or more, you must reimburse us for the cost of the audit, including fees and expenses. You must also pay any understated amount plus interest.

Type of Fee	Amount	Due Date	Remarks (1)
National or Regional Account Fee	Up to 2% of gross margin	As incurred	Payable to the account manager if we retain an account manager to maintain any national or regional account. We have the right to collect this fee on the account manager's behalf, and if we do so, we will deduct this fee at the same time and in the same manner as the royalty fee.
Fidelity Bond	$500 to $1,000	Annually	You must have a fidelity bond if you wish to participate in our Daily Pay Program. (4)
Franchisee Meetings	Up to $2,000 per person plus travel, lodging, meals and wages of attendees	If incurred	We have the right to hold various meetings of our franchisees and/or an annual convention. We may designate that attendance at a franchisee meetings and/or an annual convention by you and/or certain of your personnel is mandatory unless your absence is excused by us. If we designate a franchisee meeting and/or annual convention as mandatory, you will pay this fee regardless of whether you attend or not.
Product and Supplier Evaluation Fee	Up to $1,000	If incurred	For our evaluation of a proposed product or supplier
Additional Seniors Fee	$1.85 per senior age 65 or older	As incurred	We may allow you to add ZIP codes to your Territory. You will pay this fee per additional senior added that is 65 or older.
Employee Rewards Program (5)	Accrued at $.05 per employee per hour worked upto $100. Depends on employee's choice of reward.	As incurred	Payable to approved supplier. Total due depends on employee's choice of reward.

Type of Fee	Amount	Due Date	Remarks (1)
Technology Fee	$1,500 - $3,000	Monthly	Fees for maintenance of computer/online system including website maintenance, Applicant Tracking System (ATS) (6), scheduling app, Google Ad Words, recruiting website, PowerBI and all level 1 MS licenses, 1 MS level 3 license, the Human Resources Information System, and other technologies. We may increase the Technology Fee at any time in our sole and absolute discretion.
Recruitment Effort Cost	No less than $500 or 2% of your Total Revenue, whichever is greater	Monthly	Payable to database suppliers for recruitment efforts including resume searches, approved job board advertising, and database searches.
Human Resources Information System (HRIS	$8 per active employee	Monthly	A Human Resources Information System is software for the entry, data tracking, and data information needs of the Human Rexources, payroll management, benefits and accounting functions within our company.
Document Execution Software Fee	$2.10 to $5.50 per envelope sent	Monthly	Payable to us for use of the document exeuction software we require you to use in the onboarding of employees and for signing agreements. Currently that software is Sign Now.

1. We impose and collect all fees uniformily unless otherwise specified or negotiated separately. All fees are non-refundable. In general, fees may change or go up in the future.

2. For purposes of determining the royalty fee you will pay in any particular month, we will first calculate your gross margin. "Gross Margin" is determined by subtracting Direct Costs (described below) from your Total Revenue (described in Note 3 below) for that month. Following the calculation of Gross Margin by deducting Direct Costs from Total Revenue, the royalty percentage is then multiplied by the resulting Gross Margin to determine the Royalty Fee.

   All payments for your Franchised Business will be processed by us. Within 60 days after the end of each calendar month we will provide you with payment of your distributed balance and a report detailing your Franchised Business' revenue and itemizing your Total Revenue, Direct Costs

adjustments, Gross Margin and the royalty fee we retained. We may make payments to you of your distributed balance by electronic funds transfer. You must sign any documents required by us, our bank or your bank to accomplish electronic funds transfers. We may make collections from you for amounts you owe to us by reducing your distributed balance or by requiring your direct payment to us (by electronic funds transfer).

"Direct Costs" include the costs we will deduct from your revenue for costs directly related to your Office's operations, including, without limitation: (i) credit card processing fees of 3% (or the prevailing rate), ACA processing Fee of 1% and refunds (ii) the wages of the temporary employees whose services were sold by your Office and billed for by us, including base compensation and all sign-on and other bonuses; (iii) Social Security (FICA), Federal Unemployment (FUTA), State Disability (where applicable), and all other Federal, State and local taxes measured by or based upon the temporary employee's earned wages; (iv) health insurance (and/or penalties), as required under prevailing regulations, expenses related to background checks (including checks for proper credentials or criminal activities) and drug screening, insurance costs measured by or based upon the temporary employee's earned wages, such as workers' compensation, disability insurance, unemployment insurance, and similar insurance, as required by law; (v) discretionary insurances such as healthcare and dental insurance in which the temporary employee may participate; (vi) housing expense, daily allowance, and travel expense incurred by the temporary employee; (vii) the amount of all sales taxes or similar taxes which, by law, are chargeable to customers (but only to the extent they have been included); (viii) the amount of any authorized and documented credits, sales allowances, discounts and/or rebates given to customers; and any reserve established under the Accounts Receivable Reserve Program; (ix) expenses related to the Daily Pay Program, if you participate in such program; (x) your portion of any delinquent invoices related to your Office; and (xi) Vender Management System (VMS) fees charged by providers.

Under the Accounts Receivable Reserve Program, we will pay you a distributed amount even if we have not received payment from your clients, but we will set up a reserve program for accounts that are 90 days past due. A portion of the distributed balance due to you will be retained by us to maintain this reserve in an amount equal to your revenue split. Unapplied credits for specific clients will be fully deducted from delinquent accounts receivable when the calculation is made. You must sign any documents we require evidencing our absolute ownership of your Franchised Business' accounts receivable. In the event that we collect the past due Accounts Receivable, you will receive the same Gross Margin as disclosed in this Item 6.

For conversion franchisees, the collection of royalty fees and brand development fees begins when the Franchise Agreement is signed. You will receive your first distributed balance payment 45 days after the first month in which you are open and operating as an ATC conversion franchisee. "Existing Business" is determined by reviewing the sales of the conversion franchisee for the year prior to the conversion. That amount will be confirmed by sales from existing accounts in the first three months subsequent to the conversion. If sales in the first three months subsequent to the conversion, on an annualized basis, are equal to or exceed the provisional sales figure (*the sales by the conversion franchisee for the year prior to the conversion*), the figure we will use for Existing Business will be the provisional sales figure. If sales in the three months subsequent to the conversion, on an annualized basis, are not at least equal to the provisional sales figure, the figure we will use for Existing Business will be the three months annualized sales figure.

On a quarterly basis, you must pay to us a minimum royalty fee. Within 60 days after the end of each three-month period, we will advise you whether you have paid the minimum quarterly royalty fee for the previous three-month period. If you did not, we will advise you of the amount you owe

to us to reach the minimum quarterly royalty fee and the date on which this amount will be deducted from your distributed balance. If your distributed balance is not sufficient to cover the amount owed to us, then you will have 10 days to make direct payment to us (by electronic funds transfer or check). The minimum amounts are as follows:

ATC Healthcare Staffing: Proposed 2026 Annual Performance Requirements ATC Net Royalty Minimums					
Year	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Total Year**
1	$0	$0	$6,000	$6,000	$12,000
2	$25,000	$25,000	$25,000	$25,000	$100,000
3	$37,500	$37,500	$37,500	$37,500	$150,000
4	$50,000	$50,000	$50,000	$50,000	$200,000
5	$52,500	$52,500	$52,500	$52,500	$210,000
6	$55,125	$55,125	$55,125	$55,125	$220,500
7	$57,881	$57,881	$57,881	$57,881	$231,524
8	$60,775	$60,775	$60,775	$60,775	$243,100
9	$63,814	$63,814	$63,814	$63,814	$255,256
10	$67,004	$67,004	$67,004	$67,004	$268,016

3. "Total Revenue" means the total amount received or receivable arising from, connected with or related to the sale of all goods, merchandise or services and all business transacted at, from or through your Franchised Business, directly or indirectly, excluding only (a) sales taxes and other taxes separately stated and collected from clients and paid to taxing authorities; (b) refunds and credits made in good faith to arm's-length clients according to our standards and specifications for issuing refunds or credits; and (c) the discount value of any coupon, voucher or other allowance that we authorize at the time the client's coupon, voucher or allowance is redeemed.

4. We, with the assistance of a third-party vendor, offer a Daily Pay Program which provides pay to healthcare associates placed by you. If you participate in the Daily Pay Program you must have the required fidelity bond and, as described above, the costs related to your participation in the Daily Pay Program are considered a direct cost. You agree to comply with our requirements and obligations related to your participation in this program. If you do not maintain the required fidelity bond or if you do not follow the program's rules and policies, we may terminate your participation in this program.

5. The Employee Rewards Program is mandatory. The Employee Rewards Program enables designated employees to accumulate points toward rewards based on hours worked. All payments for redeemed points are the responsibility and liability of the franchisee. These liabilities will appear on the franchisee's monthly royalty statement.

6. The Applicant Tracking System (ATS) is a cloud-based system that enables the electronic handling of recruitment needs, including managing VMS portals and templates for posting jobs across online boards and on franchise websites. We will be selecting an ATS vendor and you will be required to use this system. Additionally, you must use our designated scheduling application. The scheduling application is a cloud-based system that enables the electronic scheduling of HCAs. We will be selecting a scheduling application and you will be required to use this application for your employees.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT SINGLE UNIT FRANCHISE					
Type of Expenditure	**Amount**		**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
	Start-Up Franchise	**Conversion Franchise**			
Initial Franchise Fee (1)	$50,000	$0	Lump sum	When Franchise Agreement Signed	Us
Rent – 12 Months (2)	$12,000 - $60,000	$0	As Agreed	Per Lease	Landlord
Leasehold Improvements (3)	$0 - $5,000	$0	As Agreed	As Agreed	Contractor and Suppliers
Equipment, Furnishings and Fixtures (4)	$2,000 - $5,000	$0	As Agreed	As Agreed	Suppliers
Signage (5)	$200 - $7,500	$200 - $7,500	As Agreed	As Agreed	Suppliers
Blueprints/Plans (6)	$0 - $1,000	$0	As Agreed	As Agreed	Engineer, Architect
Initial Inventory (7)	$1,000	$250 - $1,000	As Agreed	As Agreed	Suppliers
Security Deposits (8)	$1,000 - $2,000	$0	As Agreed	As Agreed	Landlord, Utility Companies
Insurance – 12 Months (9)	$3,000 - $5,000	$3,000 - $4,000	As Agreed	As Agreed	Insurance Companies
Travel and Living Expenses While Training (10)	$2,000 - $4,500	$2,000 - $4,500	As Agreed	As Agreed	Airlines, Hotels, Restaurants
Computer System (11)	$3,000 - $5,000	$1,500 - $4,000	As Agreed	As Agreed	Suppliers
Permits/Licenses (12)	$500 - $1,500	$100 - $500	As Required	As Incurred	Government Agencies
Professional Fees (13)	$1,500 - $2,500	$1,500 - $2,500	As Agreed	As Agreed	Attorney, Accountant
Online Employee Search (14)	$1,000 - $2,000	$1,000 - $2,000	As Agreed	As Incurred	Suppliers

YOUR ESTIMATED INITIAL INVESTMENT SINGLE UNIT FRANCHISE					
Type of Expenditure	**Amount**		**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
	Start-Up Franchise	**Conversion Franchise**			
Initial Marketing Fee (15)	$10,000	$0	Lump Sum	When Franchise Agreement Signed	Us
Additional Funds – 9 Months (16)	$71,300 - $140,500	$0 - $15,000	As Needed	As Incurred	Various
Total	**$158,500 – $302,500**	**$9,550 - $41,000**			

YOUR ESTIMATED INITIAL INVESTMENT ADDITIONAL UNIT DISCOUNT PACKAGE (2 BRICK AND MORTAR OFFICES)*					
Type of Expenditure	**Amount**		**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
	Start-Up Franchise	**Conversion Franchise**			
Initial Franchise Fee (1)	$87,500	$0	Lump sum	When Franchise Agreement Signed	Us
Rent – 12 Months (2)	$24,000 - $120,000	$0	As Agreed	Per Lease	Landlord
Leasehold Improvements (3)	$0 - $10,000	$0	As Agreed	As Agreed	Contractor and Suppliers
Equipment, Furnishings and Fixtures (4)	$4,000 - $10,000	$0	As Agreed	As Agreed	Suppliers
Signage (5)	$400 - $15,000	$400 - $15,000	As Agreed	As Agreed	Suppliers
Blueprints/Plans (6)	$0 - $2,000	$0	As Agreed	As Agreed	Engineer, Architect
Initial Inventory (7)	$2,000 - $4,000	$500 - $2,000	As Agreed	As Agreed	Suppliers
Security Deposits (8)	$2,000 - $4,000	$0	As Agreed	As Agreed	Landlord, Utility Companies
Insurance – 12 Months (9)	$6,000 - $10,000	$6,000 - $8,000	As Agreed	As Agreed	Insurance Companies

YOUR ESTIMATED INITIAL INVESTMENT ADDITIONAL UNIT DISCOUNT PACKAGE (2 BRICK AND MORTAR OFFICES)*					
Type of Expenditure	**Amount**		**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
	Start-Up Franchise	**Conversion Franchise**			
Travel and Living Expenses While Training (10)	$4,000 - $9,000	$4,000 - $9,000	As Agreed	As Agreed	Airlines, Hotels, Restaurants
Computer System (11)	$6,000 – $10,000	$3,000 – $8,000	As Agreed	As Agreed	Suppliers
Permits/Licenses (12)	$1,000 - $3,000	$200 - $1,000	As Required	As Incurred	Government Agencies
Professional Fees (13)	$3,000 - $5,000	$3,000 - $5,000	As Agreed	As Agreed	Attorney, Accountant
Online Employee Search (14)	$2,000 - $4,000	$2,000 - $4,000	As Agreed	As Incurred	Suppliers
Initial Marketing Fee (15)	$20,000	$0	Lump Sum	When Franchise Agreement Signed	Us
Additional Funds – 9 Months (16)	$142,600 - $281,000	$0 - $30,000	As Needed	As Incurred	Various
Total	**$304,500 - $592,500**	**$19,100 – $82,000**			

*The estimates for a multi-unit discount package assumes that you will establish one brick and mortar office within the first three months of operation.

NOTES

Your initial investment will vary considerably depending on the method and amount of financing that you use, and whether you are a new Franchisee or a Conversion Franchisee. The initial franchise fee, equipment and other items are shown in full, although they may be financed or leased, and are exclusive of any taxes that may be imposed. Costs for conversion franchisees are likely to be significantly lower than those shown here. None of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable.

1. ***Initial Franchise Fee***. We describe the initial franchise fee in Item 5.

2. ***Rent***. There is no minimum square footage in general office space for your Franchised Business that we require but you are prohibited from operating the Franchised Business from your home. The amount of your monthly rent will depend on the site's size, condition, and location, your ability to negotiate with the landlord, and the demand for the site among prospective lessees. You may choose to establish your office in an executive suite where the furniture, furnishings, phones, data lines and office equipment are all included in one fee. The office space you wish to occupy must be approved by us. Our estimates assume that you will be leasing space, and that you will not

purchase real property and build your own building for your Franchised Business. If you choose to purchase real property and build an office, we cannot estimate how your initial investment would increase. If you are a Conversion franchisee you would already have an established office.

3. ***Leasehold Improvements***. We anticipate that your leased office will need minimal leasehold improvements to meet our then-current image for all ATC Healthcare Services businesses. The leasehold improvements may include HVAC, electrical work, plumbing, flooring, wall coverings, and the like. The actual cost of your leasehold improvements will depend on labor rates for the area in which your office is located, whether you must use union labor, the condition of the leased premises and how much the premises must be renovated. Conversion franchisees should have minimal, if any, leasehold improvements to meet our requirements.

4. ***Equipment, Furnishings and Fixtures***. The equipment, furnishings and fixtures you will need include desks, chairs, testing booths, copy machine, file cabinets, reception room seating, telephone system, basic shredder, and basic office supplies for operating the Franchised Business. Conversion franchisees may not have to purchase any of these items.

5. ***Signage***. You must obtain the interior and exterior signage we require for your Franchised Business. All signage, which must be approved by us, must comply with the terms of your lease and applicable local law. The high end calculates for two brick-and-mortar offices.

6. ***Blueprints and Plans***. You may need to obtain architectural drawings for leasehold improvements to your leased space. We have the right to review and approve all proposed drawings to make sure that they comply with our specifications for ATC Healthcare Services businesses and presentation of the Marks. Our review will not address compliance with any applicable laws, ordinances or building codes. Conversion franchisees are likely to have minimal to no architectural requirements.

7. ***Initial Inventory***. Our estimate includes proprietary forms, stationery, business cards, ID cards, brochures, and manuals. The fees for these items are payable to us or approved suppliers.

8. ***Security Deposit***. Our estimate assumes that you will need to pay a security deposit to your landlord for the leased space. Your local utility companies (such as electric and telephone) may also require you to pay security deposits. If you are a Conversion franchisee with an existing office you will not have to pay any security deposits.

9. ***Insurance Premiums***. You must maintain the insurance and bonds that we require during the entire term of the Franchise Agreement. Your insurance premiums may be payable monthly, quarterly, semi-annually or annually, depending on your insurance company's practices. You will have to obtain a separate fidelity bond if you are qualified for and wish to participate in our Daily Pay Program.

10. ***Travel and Living Expenses While Training***. We will provide our initial training program to up to two people (including you) at no additional charge. If you request that we provide our initial training program to additional trainees, we will not charge you for training additional people, but it is subject to availability. Our estimate in the above chart covers travel expenses, car rental expenses, hotel, meals and applicable wages for the first two trainees while attending training. The low end of the estimate assumes that you are within driving distance each day of training. The high end of the estimate assumes that additional travel is needed. Your actual costs will depend on the distance you must travel, the total number of people attending training, and the accommodations you choose.

11. ***Computer System***. You must purchase or lease the computer system hardware and software that we require. You must also contract with any existing hardware or software vendors to convert your existing systems and or data to a format required for our systems. Conversion franchisees may not incur this expense if we determine that their existing computer systems meet our requirements.

12. ***Licenses and Permits***. You must obtain the operational licenses and permits required by applicable local, state and/or federal law. All required licenses and permits must be in place and in good standing at all times during the term of your Franchise Agreement.

13. ***Professional Fees***. We strongly advise you to consult with your own financial and legal advisors, and we anticipate that you will incur professional fees related to your evaluation of this Disclosure Document. If you choose to form an entity for your Franchised Business, you may incur additional legal fees and expenses that we cannot estimate here.

14. ***Online Employee Search.*** You are required to use at least one job board with a national reach for your recruitment efforts as well as the ATS selected by us.

15. ***Initial Marketing Fee***. You will be required to pay us this fee to be used in the start-up phase of your Franchised Business. We will allocate these funds towards marketing and promoting your Franchised Business in the first three to six months to help accelerate your start-up. This currently includes 90 days of SEO, local searches and reviews, brand axpanded campaigns such as geo fenced launch pages, and a launch package of product and materials for expositions, fairs, etc. Conversion franchisees are not required to pay this fee.

16. ***Additional Funds***. This item estimates your initial start-up expenses (other than the items identified separately in the table) for the initial period of operations of your Franchised Business, which we anticipate will be nine months. These expenses might include payroll costs if your start up plan includes hiring support staff, or a reasonable draw or salary for you based on your preferred lifestyle and current lifestyle expenses. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business.

We relied on our Parent's and our Parent's affiliates' prior franchise experience, as well as our own experience, to compile these estimates. You should review these figures carefully with a business advisor before deciding to acquire the franchise. We do not finance any portion of your initial investment. The availability and terms of third-party financing for the franchise purchase and business start-up depend on many factors, including the availability of financing generally, your creditworthiness and collateral and lending policies of financial institutions from which you request a loan.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate the Franchised Business according to our Brand Standards. Brand Standards may specify, among other things, the computer system, required software, marketing materials, and other items including inventory, supplies, fixtures, equipment, and construction items to be used in your Franchised Business (collectively, "Operating Assets"); required and authorized product and service categories; and approved suppliers of these items and services, which could be limited to us, our affiliates, and other restricted sources, in which case you must acquire certain items for your Franchised Business only from these restricted sources. Except as described in this Item 8, there are no goods, supplies, fixtures, equipment, inventory, or real estate for the Franchised Business that you currently must buy or lease from

us (or an affiliate) or approved suppliers. If we and/or our affiliate are approved suppliers, we have the right to earn a profit on your purchases from us or our affiliate.

Our approved suppliers include are listed in our Operations Manual which is updated annually. Specifically, all of your technology must be purchased from suppliers we approve.

You are not required to purchase these items from us, but you must purchase them from the approved supplier for the System. During the fiscal year ended September 30, 2025, we did not earn any revenues from the sale of items to franchisees (including, without limitation, any rebates or payments from approved suppliers). All items that contain our Marks (including, without limitation, proprietary forms, stationery, and business cards) must be purchased in accordance with our standards.

None of our officers has an ownership interest in any approved supplier, but Stephen Savitsky and David Savitsky do have an ownership interest in our Parent.

We have the right to periodically change our approved suppliers, and we have the right to negotiate price and other terms with our approved suppliers for the benefit of the System. We reserve the right to designate ourselves as an approved supplier, or the sole approved supplier, of any item you must purchase in connection with the Franchised Business.

To maintain the quality of the goods and services that ATC Healthcare Services businesses sell and our System's reputation, we may condition your right to buy or lease Operating Assets and other items on their meeting our minimum standards and specifications and/or their being purchased or leased from suppliers that we approve. We will formulate and modify standards and specifications based on our (and our franchisees') experience in the industry and in operating ATC Healthcare Services businesses. Our standards and specifications may impose minimum requirements for delivery of services, performance, reputation, prices, quality, design, and appearance. Our Operations Manual or other communications may identify names of approved suppliers and our standards and specifications. There might be situations where you can obtain items from any supplier who can satisfy our requirements and would, therefore, be an approved supplier.

If we institute any type of restrictive sourcing program (which, as noted above, we have the right to do) and you want to use any product that we have not yet evaluated or to buy or lease from a supplier that we have not yet approved, you first must send us sufficient information, specifications, and samples so we can determine whether the product complies with Brand Standards or the supplier meets approved supplier criteria. We will, within a reasonable time (typically 90 days), give you our decision whether we approve or disapprove the supplier. We periodically will establish procedures for your requests and may limit the number of approved products and/or suppliers as we think best. Approval might be temporary until we evaluate the supplier in more detail. We may inspect a proposed supplier's facilities during and after the approval process to make sure that the supplier meets our standards.

If it does not, we may revoke our approval by notifying the supplier and you in writing. We are not required to provide you or the proposed supplier with our evaluation criteria. We do not currently charge a fee for our evaluation of a proposed product or supplier, but we have the right to do so (not to exceed $1,000).

The cost of purchasing and/or leasing approved or required inventory, supplies including invoicing and payment (back office services) materials, fixtures, equipment and construction items is estimated to constitute approximately 10% to 20% of total purchases and leases you will make in connection with the establishment of your Franchised Business, and approximately 10% to 20% of total purchases and leases in connection with the operation of your Franchised Business.

We or our affiliates may derive revenue from approved suppliers in the form of rebates, commissions or other payments based on our franchisees' purchases from these approved suppliers. During the fiscal year ended September 30, 2025, we and our affiliates did not receive any payments from approved suppliers as a result of required purchases or leases of our franchisees. If we or our affiliates receive payments from suppliers on account of their dealings with you and other franchisees, there is no restriction on our use of these funds unless otherwise agreed to with the supplier. We do not currently receive payment, in the form of preferred pricing, from any suppliers due to such suppliers' transactions with us or our franchisees.

There currently are no purchasing or distribution cooperatives, although we may establish them in the future. We have the right to negotiate purchase arrangements with suppliers (including price terms) for the benefit of all ATC Healthcare Services businesses in the System. We do not provide material benefits to you, such as the grant of a renewal franchise or the grant of an additional territory, for using approved suppliers.

We must approve of the location you choose for your Franchised Business including if you operate a conversion Franchised Business. All franchisees must operate the Franchised Business from a physical location that is not their personal residence.

We must also approve of any advertising materials that you wish to use in promoting your Franchised Business if the advertising materials were not prepared by us or approved by us in the immediately preceding 12 month period. Additional information about these approval processes are included in Item 11.

Insurance

You also must obtain, before beginning any operations under the Franchise Agreement, and must maintain in full force and effect at all times during the term of the Franchise Agreement and any renewal terms, at your own expense, an insurance policy or policies protecting you, us, our affiliates, and our respective officers, directors, partners, and employees. The policies must provide protection against any demand or claim relating to personal and bodily injury, death, or property damage, or any liability arising from your operation of the Franchised Business. All policies must be written by a responsible carrier or carriers whom we determine to be acceptable, must name us (and, if we request, our affiliates and our respective directors, employees or shareholders) as additional named insureds, and must provide at least the types and minimum amounts of coverage specified in the Franchise Agreement or otherwise in the Operations Manual. Currently we have approved Beckerman Co. as the insurance packager for all ATC Healthcare Services franchised businesses. You must obtain your insurance through them either directly or through your insurance broker working directly with them. We may change the insurance packager over time.

Currently you must maintain the following minimum insurance coverages: workers' compensation, employer's liability and unemployment insurance for your staff according to state requirements; general liability insurance of at least $1,000,000 per occurrence; non-owned and hired automobile insurance, plus auto insurance for your own vehicle according to our then-current requirements; temporary help services errors and omissions insurance of at least $1,000,000 per occurrence and $1,000,000 aggregate; permanent employment agency errors and omissions insurance of at least $1,000,000 per occurrence and $1,000,000 aggregate; disability insurance for your staff employees according to state requirements; fidelity bonding against losses from dishonest acts by employees of at least $100,000 with a maximum deductible of $5,000; all-risk property damage insurance in an amount to cover the full replacement cost of all equipment loaned to you by us; separate fidelity bonding related to your participation in our Daily Pay Program; Employment Practice Liability Insurance (EPLI) of at least $1,000,000 with a maximum deductible of $10,000; cyber

liability insurance, including coverage for data breaches, privacy violations, network security failures, ransomware, and business interruption, in the amount and form that we require from time to time, and any other insurance required by state or local laws where your Franchised Business is located or required according to your lease. You may also have to obtain professional malpractice insurance, if required by applicable law.

You must provide us with a certificate of insurance showing that you have obtained the required coverages no later than two weeks before your Franchised Business opens, and you must provide us with an updated certificate of insurance as policies are renewed. All policies must provide us with 30 days' advance written notice of any cancellation, expiration or material modification to any policy. We have the right to change our insurance requirements during the term of your Franchise Agreement, and you must comply with any changes. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

Obligation		Article in Franchise Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	2	6, 7, 11
b.	Pre-opening purchases/ leases	2	7, 8, 11
c.	Site development and other pre-opening requirements	2	7, 8, 11
d.	Initial and ongoing training	4	7, 11
e.	Opening	2	11
f.	Fees	3, 9, 12, 13	5, 6, 7, 11
g.	Compliance with standards and policies/Operations Manual	8	8, 11, 16
h.	Trademarks and proprietary information	5	13, 14
i.	Restrictions on products/ services offered	8	8, 16
j.	Warranty and client service requirements	Not applicable	Not applicable
k.	Territorial development and sales quotas	3, 8	12
l.	Ongoing product/service purchases	8	8, 16

Obligation	Article in Franchise Agreement	Disclosure Document Item
m. Maintenance, appearance and remodeling requirements	8	11
n. Insurance	8	7, 8
o. Advertising	9	6, 7, 11
p. Indemnification	16	6
q. Owner's participation/ management/staffing	7, 8	15
r. Records/reports	10	6
s. Inspection/audits	11	6, 11
t. Transfer	12	6, 17
u. Renewal	13	6, 17
v. Post-termination obligations	15	17
w. Non-competition covenants	15	17
x. Dispute resolution	17	17
y. Liquidated damages	15	6

ITEM 10
FINANCING

Our affiliates do not offer, directly, any arrangements for financing your initial investment or for the operation of your Franchised Business. We will not guarantee your note, lease or other obligations.

We have a program called the Experienced Staffing Professional ("ESP") which is designed to attract potential franchisees who have at least five years' experience as a branch manager or equivalent in a staffing company and meets other qualifications based upon work experience.

Item Financed	Source of Financing	Down Payment	Amount Financed	Term (Yrs)	Interest Rate	Monthly Payment	Prepay Penalty	Security Required	Liability upon Default	Loss of Legal Right on Default
Other Financing	Us	None	Up to $150,000 with forgiveness of at least $50,000 of that $150,000 if the program requirements are	3	2% above WSJ posted prime rate	Amount financed divided by 36	None	Personal Guaranty of you and your spouse	We may declare the entire amount of the principal due, plus interest and, at our option, increase the interest rate, terminate any pending	None

			followed and certain goals are met						commitment to make an advance to you; transfer into our own name collateral (if any); enforce our rights under any personal guarantee; and expercise any remedy available to us at law or equity	

The ESP program provides a line of credit of up to $150,000 in year one and forgiveness of at least $50,000 of that $150,000 if the program requirements are followed and certain goals are met. There is no collateral required and the debt does not have to be personally guaranteed by anyone other than you and your spouse. We require a three-year payback of the loan balance at an interest rate of 2% above the WSJ posted prime rate, adjusted annually. If you fail to make one or more payments when due; breach any of your other covenants, agreements, warranties or other obligations under the ESP; breach any covenants, agreements, warranties or other obligations under your Franchise Agreement or any other agreement between you and us or our affiliates; or engage in bankruptcy proceedings, we may declare the entire amount of the principal due, plus interest, and at our option, (i) increase the interest rate; (ii) terminate any pending commitment to make an advance to you; (iii) exercise any other remedy available to us at law or in equity, including, (a) transferring into our own name or the name of our nominee all or any part of the collateral (if any) securing the loan and apply any moneys from the collateral to amounts due to us, which includes any amounts paid by us to enforce our rights under the loan; and/or (b) enforcing our rights under any personal guaranty. It is currently not our intent to sell, assign, or discount to a third-party all or part of the financing arrangement.

You must obtain individual fidelity bond insurance and participate in our Daily Pay Program which provides pay advances to healthcare associates of up to $500 each week. Daily Pay Program checks and e-card advances are not loans. They are drawn on our account and will be treated as a direct cost to you under the Franchise Agreement. If you do not maintain the required fidelity bond or fail to follow program rules, we can suspend or cancel your participation in this program.

We may provide you with contact information for lenders that can assist you with your financing needs. While we do not currently, we have the right to receive a fee if a franchisee uses a lender that we recommend. That fee depends on the type of financing the franchisee receives. For the fiscal year ended September 30, 2025, we did not receive any fees for lender recommendations.

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, ATC Healthcare Services, LLC is not required to provide you with any assistance.

Pre-Opening Obligations

Before you open the Franchised Business, we will:

1. Review and, if it meets our criteria, approve the site you propose to use for your Franchised Business and identify your specific territory. You must provide us with the information we need to evaluate the site within 30 days after you sign the Franchise Agreement. Our criteria for evaluating sites includes demographic characteristics; traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics. Under no circumstances will we approve your site if it is located in your home. (Franchise Agreement – Section 2.1.)

2. As discussed in Item 8, identify the Operating Assets, products, materials, supplies, and services you must use to develop and operate the Franchised Business, the minimum standards and specifications that you must satisfy, and the approved suppliers from whom you must or may buy or lease these items (which might include us and/or our affiliates). (Franchise Agreement – Section 2.2.)

3. Lend to you one virtual copy of our Operations Manual. (Franchise Agreement – Section 4.3). The Operations Manual contains mandatory and suggested specifications, standards, operating procedures, and rules ("Brand Standards") that we require. We may modify the Operations Manual periodically to reflect changes in Brand Standards.

4. Train up to two people per year at no additional charge except you will be responsible for all travel, lodging, boarding and meal expenses for you and your staff. (Franchise Agreement – Section 4.1.) We describe this training later in this Item.

5. Provide you with staffing software that will allow you to schedule, track employees, clients and orders. We use such software to generate billing for your clients and payroll for the temporary healthcare employees you place with clients.

Continuing Obligations

Franchise Agreement: During your operation of the Franchised Business, we will:

1. Pay all wages, fringe benefits and related taxes to temporary medical staff recruited and placed by you on a weekly basis as well as health insurance as required under the prevailing regulations. As applicable. (Franchise Agreement – Section 4.6.)

2. Prepare all customer billings for your Franchised Business and collect all accounts receivable. We will also provide you with monthly reports of billings and collections for the royalty fee and pay your distributed balance to you within 60 days after the end of the calendar month (Franchise Agreement – Section 3.2.)

3. Inspect and observe the operation of the Franchised Business to help you comply with the Franchise Agreement and all Brand Standards. (Franchise Agreement – Section 4.2.)

4. Use our best efforts to assist you in developing your Franchised Business, including reviewing contracts, seeking national accounts, and providing staffing leads. (Franchise Agreement – Section 4.2.)

5. We will provide you the Marks for your use. You are not permitted to use alternative brand marks. (Franchise Agreement – Article 5.)

6. Conduct a meeting of our franchisees, which will not be held more frequently than annually and will be held only when we believe it will be beneficial to our franchisees. We may specify that attendance at a franchisee meeting is mandatory for you and/or your manager. If the meeting is mandatory, you will owe the fee for such meeting regardless of attendance. (Franchise Agreement – Section 4.3.)

7. Provide periodic refresher training courses, conference calls, webinars, etc., some of which may be designated as mandatory. (Franchise Agreement – Section 4.1.)

8. We do not provide assistance in establishing prices at which you must sell products and services, except in the case of National or Regional Accounts, where we have previously negotiated the pricing for services. (Franchise Agreement - Section 1.5)

9. We assume responsibility for our employees and compliance with employment contracts and any applicable laws. (Franchise Agreement – Section 8.6)

10. We assume responsibility for compliance with the client contracts. (Franchise Agreement – Section 8.7)

Advertising and Marketing

Brand Development Fund

We do not expect to establish or approve the establishment of a Brand Development Fund for all franchisees, but we have the right to do so. If we choose to form the Brand Development Fund (the "Fund"), you must pay a Brand Development Fee that will not be greater than 1% of your Franchised Business' Total Revenue. We will provide you with 60 days' prior written notice that we have elected to establish the Fund and when you must begin paying a Brand Development Fee. If formed, the Fund will be administered as follows:

The Fund may be managed by us, our designee or a professional agency to advertise and promote the System and the ATC Healthcare Services businesses. The Fund will be used for national, regional and/or local advertising, publicity and promotion relating to our business, in any media, including various internet and social media, print, radio and television. The coverage is typically regional and national in nature. Advertising may be developed in-house and/or by regional and national advertising agencies. We will determine, in our fully unrestricted discretion, the manner in which the Fund will be spent. Some portion of the Fund may be used for creative concept production, marketing surveys, test marketing and related purposes. We have the right to direct all advertising activities with sole discretion over creative concepts, materials and media used, as well as their placement and allocation. We are not obligated to spend any amount on advertising in your area or territory separate from the Fund; nor will we use any funds for advertising that is principally a solicitation for the sale of franchises. The Fund will not be audited.

We have the right to reimburse ourselves out of the Fund for the total costs (including in Direct Costs) of developing, producing and distributing any advertising materials and collecting the Brand Development Fee (including attorneys', auditors' and accountants' fees and other expenses incurred in

connection with collecting any Brand Development Fees). The Fund is not our asset, and it is not a trust. We do not owe you any fiduciary obligations because we maintain the Fund. We may spend in any calendar year an amount greater or less than the aggregate contributions made by all franchised businesses contributing to the Fund in that year. We may make loans to the Fund (and the Fund may borrow from us or other lenders) bearing reasonable interest to cover any deficits of the Fund or cause the Fund to invest surplus for future use. Any money remaining in the Fund at the end of any year will carry over to the next year.

Any ATC Healthcare Services businesses owned by us or our affiliates will contribute to the Fund on the same basis as franchisees in the System. Funds from the Brand Development Fees paid will be kept separate and distinct and will be accounted for separately from our other funds. These funds will not be used to defray any of our general operating expenses, except as described in the paragraph above, and will not be used for advertising that is primarily a solicitation of new franchisees. We will prepare, and furnish to you upon written request, an unaudited annual statement of funds collected and costs incurred.

We may incorporate the Fund or operate it through a separate entity whenever we want to. The Fund is intended to maximize general public recognition and patronage of all ATC Healthcare Services businesses and the Marks for the benefit of all ATC Healthcare Services businesses. We have no obligation to make sure that expenditures by the Fund are proportionate or equivalent to the contributions by your Franchised Business or to make sure that any franchised business will benefit directly or in proportion to its contribution to the Fund from the conduct of marketing programs or the placement or advertising.

We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Fund contributions at the Fund's expense. We also may forgive, waive, settle and compromise all claims by or against the Fund.

We may at any time defer or reduce the Fund contributions of any franchised business and, upon 30 days' prior written notice to you, reduce or suspend Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will distribute all unspent monies to all franchised businesses (whether franchised or operated by us or our affiliates) in proportion to their respective Fund contributions during the preceding 12-month period. If we terminate the Fund we will have the right to reinstated it at any time, and the reinstated Fund will be maintained as described above.

The Fund was not yet established as of our last fiscal year ended September 30, 2025, so no monies were spent or collected by the Fund.

Advertising Cooperatives

We do not expect to establish or approve the establishment of regional advertising cooperatives, but we have the right to do so. Currently, you are not required to participate in a local or regional advertising cooperative. If an advertising cooperative is formed by our franchisees and approved by us, you may be required to contribute your pro rata share of the total advertising cost incurred by the cooperative. You may be required to contribute the amounts agreed upon by the majority of members of the cooperative, at the times agreed upon by the majority of the members. The cooperative will determine who will administer the cooperative. The written governing documents will be available for review by you and you must abide by the cooperative's rules. Cooperatives do not need to prepare annual or periodic financial statements, but if they are prepared, they may be reviewed by you.

Local Advertising

You must conduct local advertising and marketing in your territory, and you must spend no less than $500 or 2% of your Total Revenue, whichever is greater, each month for local advertising, including approved job board, internet and website advertising. Your advertising, promotion and marketing will be completely clear, factual and not misleading and conform to the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically prescribe. All of your advertising must also comply with any applicable laws or regulations. You must send samples of all advertising, promotional and marketing materials to us for our approval if the materials were not prepared by us or were not previously approved by us. If you do not receive written approval within 15 days after we receive the materials, they are deemed to be not approved. You may not use any advertising, promotional or marketing materials that we have not approved or that have not been approved by us within the previous 12 months. All proposed advertising materials submitted to us for review will become our property and there will be no limitation on our use or distribution of these materials. At our request you must include certain language in your local advertising materials, including "Franchises Available", our website address and telephone number.

At our request, you must provide us with proof of your expenditures on local advertising, including a report of the monies spent, copies of the advertising used and verification of advertising.

Recruitment Efforts

In addition to the local advertising requirements, you must conduct recruitment efforts in the form of advertising and client marketing in your territory. You must spend no less than $500 or 2% of your Total Revenue, whichever is greater, each month for recruitment efforts, including approved job board advertising. You are required to use at least one job board with a national reach for your recruitment efforts as well as the applicant tracking system selected by us. Your recruitment advertising and marketing will be completely clear, factual and not misleading and conform to the highest standards of ethical advertising and marketing and the advertising and marketing policies that we require under the System. All of your recruitment efforts must also comply with Equal Opportunity Employer (EOE) requirements and note that you are an EOE, as well as any state and local applicable laws or regulations. Before you may use any recruitment advertising and marketing materials, you must send samples to us for our approval. If you do not receive written approval within 15 days after we receive the materials, they are deemed to be not approved. You may not use any advertising, promotional or marketing materials that we have not approved or that have not been approved by us within the previous 12 months. All proposed advertising materials submitted to us for review will become our property and there will be no limitation on our use or distribution of these materials. At our request, you must provide us with proof of your expenditures related to recruitment efforts, including a report of the monies spent, copies of the advertising used and verification of advertising.

Initial Marketing Fee

You must pay to us a $10,000 fee which we will budget for use in the start-up phase of your Franchised Business. Under this program we will allocate these funds towards marketing and promoting your Franchised Business in the first three to six months to help accelerate your start-up. This currently includes 90 days of SEO, local searches and reviews, brand axpanded campaigns such as geo fenced launch pages, and a launch package of product and materials for expositions, fairs, etc. Usage of these program funds will be applied toward your local marketing requirement. We may pay the marketing and promotion vendors out of the program funds on your behalf, or we may reimburse you from the program funds for payments you make directly to marketing and promotion vendors. Conversion franchisees are not required to participate in this program.

Advisory Council/Cooperatives

There are presently no advisory councils in the System and we do not anticipate forming any advisory councils.

Technology / Intranet

Websites

Websites (as defined below) are considered "advertising" under the Franchise Agreement and are subject (among other things) to our review and prior written approval before they may be used (as described above). As used in the Franchise Agreement, the term "Website" means an interactive electronic document contained in a network of computers linked by communications software that you operate or authorize others to operate and that refers to ATC Healthcare Services businesses, the Marks, us, or the System. The term Website includes internet and world wide web home pages. Web marketing and digital campaign are required by us, and the Website must be developed by our website development group. From time to time our Website policies may change and you will be required to comply.

In connection with any Website, the Franchise Agreement provides that you may not establish a Website related to the Marks or the System, nor may you offer, promote, or sell any products or services, or make any use of the Marks, through the internet without our prior written approval.

If you are a conversion franchisee and you have a website for your existing business, you understand and agree that (a) you must convert your website to an ATC website and update your domain to be an ATC domain when your Franchised Business opens, (b) your website will be hosted by the ATC hosting facility, (c) ATC Corporate IT employees will be given access to update/modify your website, (d) your existing Website will direct all clients to the ATC website and your existing domain will forward to the new ATC domain (e) your existing Website will shut down no later than 60 days after your Franchised Business opens.

We will have the right to establish other electronic system providing private and secure communications (*e.g.*, an intranet) between us, our franchisees, and other persons and entities that we decide are appropriate. If we require, you must establish and maintain access to the intranet in the manner we designate. Additionally, we may periodically prepare agreements and policies concerning the use of the intranet that you must acknowledge and/or sign.

At this point, a company website is required to be opened and maintained. We have partnered with an outside vendor, an experienced group of internet marketers, to develop and manage our Digital Marketing campaign. This outside vendor will be responsible for all website development, social media plan (LinkedIn, Facebook and Twitter), website performance analytics, website hosting and maintenance. All franchisees will work with this outside vendor to develop a multipage responsive website as well as collaborate on content management, strategy and distribution schedule. We are in the process of creating a master website under which all of the Franchised Businesses will be listed. You must provide us all information necessary for the development of the website. Additionally, you will comply with any changes to our website usage policies as outlined in the Operations Manual. (Franchise Agreement – Section 9.6)

Operating Systems (OS)

All Franchisees are required to use the ATS and HRIS systems selected by us for all HCAs (collectively the OS). An OS is software for the entry, data tracking, and data information needs of the

Human Resources, recruitment, onboarding, payroll, management, benefits and accounting functions within our company. It includes the following:

- Management of all employee information including credentials.
- Reporting and analysis of employee information.
- Houses all company-related documents and forms and automates the onboarding process
- Benefits administration including enrollment, status changes, and personal information updating.
- Complete integration with payroll and financial software and accounting systems.
- Employee Self Service Portal

Computer System

You must purchase or lease a computer system with the minimum hardware components and software as well as maintain a printer/scanner. We do not currently specify the make or model of the computer system you must purchase or lease, but we have the right to do so in the future. The computer system you select must be approved by us and it must be compatible with our computer systems. You must at all times have a high-speed internet connection to be able to use the computer system and required software.

You will pay us a monthly Technology Fee of $1,500 to $3,000 for maintenance of computer/online system including website maintenance, applicant tracking system (ATS) (discussed below), scheduling app, ATS, Google Ad Words, recruiting website, PowerBI and all level 1 MS licenses, 1 MS level 3 license and other technologies. The ATS, staffing, and scheduling software will allow you to schedule, track employees, clients and orders. We use this software to generate billing for your clients and payroll for the temporary healthcare employees you place with clients. You must also purchase office productivity and accounting software (Microsoft Office and QuickBooks). The testing software for testing new temporary and permanent placement candidates is provided via an on-line service.

Your computer system will provide you with the following functions: applicant tracking, recruiting, onboarding, scheduling and fulfilling requests for temporary employees, searching and matching employee skills for the job order, email, word processing, accounting and financial reporting. We estimate that the initial cost of your computer system will be between $3,000 and $5,000. You must maintain an on-site technical support contract to make sure that your computer system is fully operational. You wil be required to upgrade your computer system and maintain it. You will be charged a fee by third-party suppliers for these services which we estimate to be approximately $1,000 per annum but is entirely dependant upon the third-party supplier you contract with, which we do not control.

You must also contract with any existing hardware or software vendors to convert your existing systems and or data to a format required for our systems. If you are a conversion franchisee, you may not incur these expenses if we determine that your existing computer system meets our requirements.

You must make sure that we have independent access to your computer system at all times during the terms of your Franchise Agreement, at your expense. We will have the right to access and retrieve data from your computer system, including data relating to your customers, temporary employees, placement of employees, and similar information. Any data related to the Franchised Business is our property.

You must upgrade the computer system, and/or obtain service and support, as we require or as is necessary because of technological developments or events. There are no contractual limitations on the frequency and cost of your obligation to obtain maintenance, updates or upgrades. Neither we nor any of our affiliates will provide you with any maintenance, updates or upgrades for your computer system.

Site Selection and Development

You must select the site for your Franchised Business, and you must obtain our written approval of any proposed site in accordance with our procedures. Our written approval will not be unreasonably withheld if that the site meets our minimum qualifications. Within 30 days after you sign the Franchise Agreement, you must submit to us the information we require to evaluate your proposed site; some factors we may deem material, including demographic characteristics, traffic patterns, parking, the predominant character of the neighborhood, competition within the area, rental obligations, and the site's size, appearance and other physical characteristics. After we receive all of the information we need to evaluate a site, we will have 30 days to review the information and advise you whether the site is approved. Unless we provide our specific approval of a site, the site is deemed not approved. Our approval of your site is only an indication that the site meets our then-current minimum criteria for a franchised business. If you are not able to locate a suitable site within 30 days after you sign the Franchise Agreement, we will have the right to terminate your Agreement. We will not unreasonably withhold our approval of a site. If you are unable to locate a site that you and we agree on and that we approve, and you are then unable to open your Franchised Business within four months of signing the Franchise Agreement, we have the right to terminate your Franchise Agreement, unless we agree to provide you with an extension of the timeframe to locate a site and open the Franchised Business.

Once we approve a proposed site, you must sign a lease for the site. The terms of your lease must not conflict with the terms of your Franchise Agreement, and the length of the lease should not be longer than the term length of your Franchise Agreement. You must submit the proposed lease to us for our review and approval. At our request, you and your landlord must sign our form of Collateral Assignment of Lease, attached as Attachment 6 to the Franchise Agreement.

You must develop the approved site according to our specifications. Our specifications may include requirements related to décor, wall treatments, general color scheme, layout and signage. If you are a Conversion franchisee, you should have minimal, if any, improvements to meet our requirements.

Opening

We estimate that it will be approximately 90 days after you sign the Franchise Agreement before you open the Franchised Business, but this depends on identification and approval of the space, the site's location and condition, lease negotiations, how much you must upgrade or remodel an existing location, local regulatory and licensing approvals and certificates, how long it takes to complete training, and your compliance with local laws and regulations. You may not open the Franchised Business until: (1) pre-opening training is completed to our satisfaction by all required persons; (2) you pay the initial franchise fee and all other amounts then due to us; (3) you give us certificates for all required insurance policies and bonds; (4) you complete all required imporvements to the Office and furnished the Office as required by us; and (5) you have obtained all required permits and licenses for your Franchised Business. If you are unable to open your Franchised Business within 90 days of signing, except for circumstances not in your control, we have the right to terminate your Franchise Agreement, unless we agree to provide you with an extension of the timeframe to open. If you are a conversion franchisee, you will continue to operate as an

ATC franchise. If you open your Franchised Business and there is no activity in your Territory for a period of 12 months following the Opening Date, we may terminate your Franchise Agreement.

Training

No later than 30 days before the Franchised Business opens, you and your manager (and any other employees or owners we require or you request and are approved by us to attend) must complete our initial training program to our satisfaction. Our training program is mandatory for all franchisees. Initially, we will train up to two people in operating the Franchised Business at no charge, one of whom must be you. If you request that we provide our training program to additional trainees, we will not charge you for training additional people, but it is subject to availability. You must pay all expenses incurred by your trainees while attending training, such as travel, lodging, meals and applicable wages.

We will provide approximately 4 days of training at our headquarters in Lake Success, New York, or we may allow it to be completed remotely, at our discretion. Training will occur after you sign the Franchise Agreement and while you are developing the Franchised Business. We currently conduct training at our corporate headquarters approximately every other month. We may provide a day of training, via telephone, at an operating ATC Healthcare Services business or at another location we designate. Additional training will be provided on a weekly or bi-weekly basis for the first 12 months, and the materials used for this training will be based on what is needed to properly train the individual franchisee and the manager. We may provide a portion of the training remotely, as we outline below.

You and your manager must satisfactorily complete initial training and participate in all other activities required to operate the Franchised Business. If you or your manager do not complete our training to our satisfaction, you and/or your manager may re-take our training program. If you or your manager do not complete our training to our satisfaction a second time, we have the right to terminate your Franchise Agreement. We may require you to replace any manager if we determine when they re-take our training program that he or she is still not qualified to hold that position.

If your General Manager ceases to be employed by you for any reason, you will be required to hire a successor General Manager within 30 days of such cessation of employment. Each General Manager and successor General Manager must attend and complete our training program prior to acting as the General Manager at your Office unless otherwise approved by us.

There are training portals in place and each internal employee must complete certain portals based on their job responsibilities prior to getting access to various systems. You are responsible for providing a training program for all of your empoloyees that do not attend our training program.

The materials we use in our initial training program include our Operations Manual and any other materials that we believe will benefit our franchisees in the training process. As of the date of this Disclosure Document, we provide the following training:

TRAINING PROGRAM

Subject	Hours of Classroom	Hours of On the Job	Location
History of ATC Healthcare Brand	1	0	Lake Success, NY, telephone or remote
Credentialing	2.5	0	Lake Success, NY, telephone or remote

Subject	Hours of Classroom	Hours of On the Job	Location
ATC Mission Statement and Operating Principles	1	0	Lake Success, NY, telephone or remote
Intro to Medical Staffing Clinical Job Overview	2	0	Lake Success, NY, telephone or remote
ATCHealthcareStaffing Full-Service Offerings	1	0	Lake Success, NY, telephone or remote
Local Market Assessment	2	2	Lake Success, NY
Marketing & Sales	8	8	Lake Success, NY
Margin Calculations	1	0	Lake Success, NY
Human Resources	2	0	Lake Success, NY, telephone or remote
Hiring Criteria/Recruitment	2	6	Lake Success, NY
Recruitment Workshop ATS systems	2.5	0	Lake Success, NY
HCA Benefits	1	0	Lake Success, NY, telephone or remote
Staffing and Day to Day Operations	1.5	4	Lake Success, NY
Accounting	1.5	0	Lake Success, NY, telephone or remote
Payroll/Invoicing/Collections	1.5	6	Lake Success, NY, telephone or remote
Stafferlink	3	8	Lake Success, NY, telephone or remote
Contracts and Service Agreements	1	2	Lake Success, NY, telephone or remote
Government Contracting	1	0	Lake Success, NY, telephone or remote
Risk Management Quality Improvement Workers Compensation Insurance	1.5	0	Lake Success, NY, telephone or remote
Local Matters and Impact	6	60	Telephone or remote
Sales Visits	0	4	Your Location
Operations Review	0	3	Your Location
Recruitment Review	0	2	Your Location
Break Even Review	0	1	Your Location
30/60/90 Day Plan	0	2	Your Location
Goals and Benchmarks	0	2	Your Location
TOTALS	**42.7**	**110**	

Our training program is overseen by our Vice President of Sales and Operations, Jeremy Flowers. Out training program is administered by our Director of Training, Amy Bollinger, who has over 20 years of staffing, recruiting and training expertise in the industry.

We have the right to hold periodic refresher training programs, and we may designate that attendance at refresher training is mandatory for you and/or any of your personnel. We do not charge a training fee, but you must pay for all expenses your trainees incur while attending refresher training, including travel, lodging, meals and wages. We also have the right to hold periodic webinars and conference calls to provide additional opportunity for training in all areas of the business.

We have the right to know who the administrative personnel are in your office and the role they are performing, and we may request that you submit an organizational chart initially and upon any administrative employee changes**.**

We have the right to hold various meetings of our franchisees and/or an annual convention. We may designate that attendance at a franchisee meetings and/or an annual convention by you and/or certain of your personnel is mandatory unless your absence is excused by us. If we designate a franchisee meeting and/or annual convention as mandatory, you will pay the fee for such meeting or convention regardless of whether you attend or not. We will not hold a franchisee convention unless we believe it will be beneficial to our franchisees. We may conduct franchisee meetings and/or an annual convenion to discuss new procedures or protocols, marketing strategies, new services and/or to provide training. We may designate the location of the meeting (including a block of hotel rooms set aside for our franchisees). We may also conduct these meetings by webinar or video recording. We will not designate an unreasonably expensive location. In addition to any fee charged, you must pay for all expenses your trainees incur while attending a franchisee meeting, including travel, lodging, meals and wages.

We have the right to charge a fee for invoicing and billing errors which may occur due to your not following proper processes and protocols.

Franchisee must notify corporate immediately, but no less than within 24 hours of any and all notices of subpoenas, claims, charges and litigation threats; and any employment conduct issues, as well as any negative social media postings.

Operations Manual

The Table of Contents of our Operations Manual is attached to this Disclosure Document as Exhibit F. Our Operations Manual includes approximately 227 pages.

ITEM 12
TERRITORY

You will operate the Franchised Business at a specific location that we first must approve, as described in Item 11. You will be granted a protected area ("Territory") in which your Franchised Business must be located. Your specific office location must be situated more than 1 mile from any of the border of your Territory. The Territory will be based upon population of a minimum of 500,000 people. Except as limited below, and if you are in full compliance with the Franchise Agreement, we and our affiliates will not operate or grant a franchise for the operation of another franchised business at a location within the Territory during the term of the Agreement. Existing franchisees in our System may have a different size Territory than is granted to you, which may be bigger or smaller than your Territory. We are not required to adjust either your or the other franchisee's Territory to accommodate any size difference. The territory will be awarded on a mutually satisfactory agreement by us and Conversion franchisee.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Under the multi-unit program, you purchase the right to establish multiple ATC Healthcare Services businesses in multiple territories, which are determined and agreed upon before you sign the Franchise Agreement(s). Under the multi-unit program, you are required to have at least one "brick and mortar" physical location. A development schedule for opening actual brick and mortar offices will be agreed to when you sign the Franchise Agreement(s). If you fail to meet the development schedule included in your Franchise Agreement(s), it will be considered a default and we will have the right to terminate your Franchise Agreement(s). We may, but are not required to, allow you to operate a virtual satellite office in one or more of your territories. A virtual satellite Office is an ATC Healthcare Services Office that does not have a "brick and mortar" office location and is only available under the multi-unit program. If you wish to establish a virtual satellite Office, you must request our consent in writing. The use of a virtual office is based on the size of the territory and your ability to provide medical professional temporary and permanent staffing solutions to healthcare facilities and providers on a local basis.

If, during the term of the Franchise Agreement, you wish to relocate the site of your Franchised Business, you must receive our approval for the relocation which we will not unreasonably withhold. Approval for relocation will be provided only in cases where you are not at fault, such as the site is damaged or destroyed and cannot be repaired, loss of lease due to circumstances out of your control, and in situations where you can make a strong business case for the move. If we approve your request to relocate your Franchised Business, the new site must be within a minimum of half a mile from any Territory border. We will use the same criteria in reviewing a proposed relocated site that we use in evaluating your original site.

During the term of the Franchise Agreement, we will not establish or operate, nor license any other person to establish or operate, a franchised business in the Territory, except as may be permitted under the Franchise Agreement and those exceptions are described below and, in addition if, at the time you are granted your Territory, or receive such Territory by Transfer, you do not have all the proper licenses and certifications to provide clients Services from your Office, as required by law or otherwise determined by us in our sole and absolute discretion, we may grant another franchisee the right to offer such Services to clients in your Territory ("Temporary Clients") and receive the balance due from us after we deduct our fees from Temporary Client Gross Revenue that is associated with any temporary, temp-to-perm, or permanent employee placements until such time as you have obtained all licenses and certifications required by law or by us, at which point such Temporary Clients and the balance due from us in connection with such clients will be transferred to you over a period of time not to exceed three (3) months.

If you open your Franchised Business and there is no activity in your Territory for a period of 12 months, we may terminate your Franchise Agreement.

If you fail to pay us (or our affiliates) any amounts due and do not correct the failure within five business days after we deliver written notice of that failure to you, we may terminate your Franchise Agreement.

Except as expressly limited by the Franchise Agreement, we and our affiliates retain all rights with respect to franchised businesses, the Marks, and any products and services anywhere in the world including the right: (a) to offer and sell and to grant others the right to offer and sell the Services offered by ATC Healthcare Services businesses, both within and outside the Territory, under trade and service marks other than the Marks and under any terms and conditions we deem appropriate; (b) to operate and to grant others the right to operate franchised businesses located outside the Territory under any terms and conditions we deem appropriate and regardless of proximity to your Franchised Business; (c) together with ATC Travel, to provide temporary travel healthcare personnel placement at any location, including within your Territory, including, without limitation, hiring recruiters to find assignments for travel personnel; (d) together with ATC Physician Services, place physicians on short term and long term assignments (also known as *locum tenens*) and provide permanent placement services for physicians at any location, including within your

Territory, (e) to provide, and to grant others the right to provide, in-home care providers on a temporary or permanent basis at any location, including within your Territory, and using any trademarks, including the Marks; (f) to acquire and operate a business operating one or more medical personnel placement businesses located or operating in your Territory, but if one of these businesses is located within your Territory, it will not operate using the Marks; and (g) to establish at any time a separate system and franchise offering different services and/or products under different trademarks, trade names and logos, without your consent. You are not entitled to any compensation for any rights we reserve.

Nothing in the Franchise Agreement obligates us to notify you or our establishment of a new franchise opportunity or to offer you the opportunity or right to purchase the new franchise opportunity.

You may provide the Services to clients within your Territory. You may not engage in any promotional activities or sell any similar products or services, whether directly or indirectly, through or on the internet, the world wide web, or any other similar proprietary or common carrier electronic delivery system (collectively, the "Electronic Media"); through catalogs or other mail order devices sent or directed to clients or prospective clients located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from clients or prospective clients located anywhere. While you may place advertisements in printed media and on television and radio that are targeted to clients and prospective clients located within your Territory, and you will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective clients outside of your Territory.

You may not provide Services to a client located outside of your territory, unless (i) you receive our written consent; (ii) the area in which you wish to provide service is not included in another ATC Healthcare franchisee's territory or an area currently served by a company-owned Office; (iii) you agree to completely discontinue any advertising in the area in which you wish to provide service on 30 days notice or less upon our written demand; and (iv) you agree to forfiet the area and any customers you are serving in that area upon sale of the territory to another franchisee, for which you will receive no compensation. Any area you may serve outside of your territory is unprotected in the entirety and you will have no protection or exclusivity in that area. If the location of this "out of area" client or is a Temporary Client (a client that we have granted you the right to provide Services to because the franchisee in the territory temporarily does not have all the proper licenses and certifications to provide clients Services from their Office, as required by law or otherwise determined by us in our sole and absolute discretion), we may grant you or another franchisee the right to offer such Services to such clients (if you are the unlicensed franchisee it may be us granting another franchisee the right to temporarily operate in your Territory). If you are servicing "out of area" or Temporary Clients for another franchisee and those clients are later made part of the territory of another fully licensed and certified ATC Healthcare Services franchisee, your existing contracts with such client shall be transferred to the other franchisee over a period of time not to exceed three (3) months and, upon such transfer, you shall have no further rights to conduct business with or provide Services to such "out of area" client or Temporary Client and will receive no compensation for the transfer.

You have no options, rights of first refusal, or similar rights to acquire additional franchises.

We and our affiliates may sell Services under the Marks within and outside your Territory through any method of distribution other than an ATC Healthcare Services business, including sales through channels of distribution such as the internet, catalog sales, telemarketing or other direct marketing sales (together, "alternative distribution channels"). You may not use alternative distribution channels to make sales outside or inside your Territory except as described in the following paragraph. You will not receive any compensation for our sales through alternative distribution channels from inside your territory except as described in the following paragraph.

If we engage in electronic commerce through any internet, world wide web or other computer network site or sell through any other alternative distribution channel, and we receive requests related to Services offered by an ATC Healthcare Services business calling for delivery or performance in your Territory, then the request will be forwarded to you. If you choose not to respond to the request or are unable to do so within the timeframe required by us, then we, one of our affiliates or a third party we designate (including another franchisee) may respond to the request, and you will not be entitled to any compensation in connection with the sale of products or provision of services resulting from this request. All inquiries or requests placed through our Website will be our property.

Our Parent also operates a temporary staffing business ("ATC Travel") which places travel healthcare personnel (nurses and other healthcare personnel) recruited from one geographic area to work in another geographic area on a long-term (several weeks to several months) temporary contractual basis. under the trademark "ATC Travel" and shares our principal business address. We do not maintain physically separate offices and training facilities for the ATC Travel businesses. Your Franchise Agreement specifically permits ATC Travel to place travel healthcare associates within your Territory, and per the Franchise Agreement you will not receive any portion of the revenue from these placements.

National or Regional Account

We have the right to establish a national or regional account program. A national or regional account or a VMS/MSP program includes any customer that has authorized a VMS/MSP to enter into an agreement with agencies such as ATC Healthcare to help fulfill the needs of the customer through the VMS/MSP or has employees or offices in two or more locations, or which qualifies for corporate pricing for services. Except as provided below in the following paragraph, you may not solicit the locations of a national or regional account without our prior written consent. We may condition our consent (although we need not grant our consent) on your agreement to comply with certain requirements, and we may withdraw our consent for any reason. You may service the national or regional accounts in your Territory, but we may prohibit you from servicing these accounts if you do not attain minimum performance standards or you perform in a manner that damages our standing with a national or regional account. If we withdraw our consent to your soliciting and/or servicing one or more national or regional accounts, you must stop all solicitation and servicing activity for that national or regional account(s) immediately.

Healthcare staffing requires 24-hour coverage, and arrangements must be made to provide outsourced coverage if required, meaning the use of qualified external personnel or third-party staffing services to ensure continuity of care when internal staff are unavailable.

We will negotiate all terms, including services to be conducted and prices to be charged, with any national or regional account, and you must comply with any terms we agree to with the national or regional account. If we retain the services of an account manager for any national or regional account for which you provide Services within your Territory, you must pay the national or regional account fee described in Item 6 to the account manager.

There are no other circumstances that permit us to modify your territorial rights.

ITEM 13
TRADEMARKS

Under the Franchise Agreement, we grant to you the right to use certain trademarks, service marks and other commercial symbols in connection with the operation of your franchise. We own the following

Marks which have been registered on the Principal Register of the United States Patent and Trademark Office ("USPTO") as follows:

Mark	Application Date	Serial Number	Registration Date	Registration Number
ATC (word mark)	10/08/2020	90/241,710	6/29/2021	6,402,226
	4/27/1989	73/796,257	1/9/1990	1,577,053
Around The Clock	9/21/2001	76/315,674	3/18/2003	2,697,283

In addition to the above Marks we are also planning on registering on the Principal Register of the USPTO the following color Mark:



Until this Mark is registered on the Principal Register the Mark does not have many legal benefits and rights as a federally registered trademark. If our right to use this trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

You must follow our rules when you use the Marks. You may not use any Mark (1) in your corporate or legal business name; (2) with any prefix, suffix or other modifying words, terms, designs, or symbols (except for those we license to you); (3) in selling any unauthorized services or products; (4) as part of any domain name, electronic address, or search engine you maintain on any Website; or (5) in any other way we have not expressly authorized in writing.

We intend to file all affidavits when required to maintain our ownership of and interest in the Marks.

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court, nor is there any pending interference, opposition, or cancellation proceeding, nor any pending material litigation involving the Marks which may be relevant to their use in this state or in any other state.

Under a settlement agreement ("Settlement Agreement") with Around the Clock Nursing, Inc., we have agreed indefinitely not to use or permit our franchisees to use the phrase "Around The Clock" (or any confusingly similar variation of this phrase) in Warren County, New Jersey, and in the following counties or parts of counties in Pennsylvania: Lehigh, Northampton, Berks, Monroe, Carbon, Schuylkill, and those portions of Bucks and Montgomery counties north of Route 113. The Settlement Agreement may only be modified by a writing signed by both parties. If the phrase "Around The Clock" is included in our existing or future Marks, the Settlement Agreement would significantly limit a franchisee's use of those Marks in those areas. Except as described, there are no other agreements currently in effect which significantly limit our or our Parent's rights to use or license the use of the Marks.

You must promptly notify us of any suspected unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to our ownership of, our right to use and to license others to use, or

your right to use, the Marks. We have the sole right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. We may defend and/or indemnify you against any third-party claim, suit or demand arising out of your use of the Marks under the Franchise Agreement.

If we, in our sole discretion, determine that you have used the Marks in accordance with your Franchise Agreement, the cost of the defense, including the cost of any judgment or settlement, will be borne by us. If we determine that you have not used the Marks in accordance with your Franchise Agreement, the cost of the defense, including the cost of any judgment or settlement, will be yours. If there is any litigation relating to your use of the Marks, you must sign any and all documents and do any acts as may, in our opinion, be necessary to carry out the defense or prosecution, including becoming a nominal party to any legal action. Except if this litigation is the result of your use of the Marks in a manner inconsistent with the terms of your Franchise Agreement, we will reimburse you for your out-of-pocket costs in doing these acts.

There are no infringing uses actually known to us that could materially affect your use of the Marks in this state or elsewhere.

We have the right to substitute different proprietary marks for use in identifying the System and the businesses operating under it, at our sole discretion. We are not required to reimburse you for any costs you incur in relation to any change or substitution, such as the cost of changing stationery or signage, and have no obligation or liability to you as a result of any change or substitution under the Franchise Agreement.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We have no patents or registered copyrights that are material to the franchise.

You must operate the Franchised Business in accordance with the standards and procedures specified in the Operations Manual. One virtual copy of the Operations Manual will be loaned to you by us for the term of the Franchise Agreement.

You must treat the Operations Manual and any other manuals we create or approve for use in your operation of the Franchised Business, and the information contained in them, as confidential. You must also use all reasonable efforts to maintain this information as secret and confidential and you must not duplicate, copy, record or otherwise reproduce these materials, in whole or in part, or make them available to any unauthorized person. The Operations Manual remains our sole property and must be kept in a secure place on the premises of the Franchised Business.

We may revise the contents of the Operations Manual and you must comply with each new or changed standard. You must also make sure that the Operations Manual is kept current at all times. If there is a dispute regarding the contents of the Operations Manual, the terms of the copy of the latest version as identified by us will be controlling.

We claim proprietary rights in certain of our methods of operation and procedures which are included in the Operations Manual and which are our trade secrets. You and each of your principals are prohibited, during and after the term of your Franchise Agreement, from communicating, or using for the benefit of any other person or entity, and, after the term of your Franchise Agreement, from using for your or their own benefit, any confidential information, knowledge or know-how concerning the methods of

operation of the Franchised Business that may be communicated to you or any of your principals or that you may learn about, including these trade secrets. You and each of your principals may divulge this confidential information only to your employees who must have access to it to operate the Franchised Business. Neither you nor your principals are permitted at any time, without first obtaining our written consent, to copy, record or otherwise reproduce the materials or information nor make them available to any unauthorized person. Any and all information, knowledge, know-how and techniques related to the System and the Brand Standards that we communicate to you are considered confidential. The term "confidential information" includes Brand Standards, market research, advertising and promotional campaigns, approved suppliers, operating results of franchised businesses, proprietary software, the negotiated terms of your Franchise Agreement with us, the Operations Manual, graphic designs and other intellectual property, and your client list.

If you, your principals or employees develop any new concept, process or improvement in the operation or promotion of the Franchised Business, you must promptly notify us and give us all necessary information, free of charge. You, your principals and employees must acknowledge that any of these concepts, processes or improvements will become our property and we may give the information to other franchisees.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must at all times faithfully, honestly, and diligently perform your contractual obligations. Brand Standards may regulate the staffing levels and employee qualifications, training, dress, and appearance of the Franchised Business. You shall be responsible for operating the Franchised Business for no less than forty (40) hours per week (with accommodation for national holidays and normal deviations from traditional work weeks) and developing all market segments within your Territory to their maximum potential unless you have a full-time recruiter and full-time business development associate as provided below. You may also hire a manager to assist you in overseeing the Franchised Business' daily operation. You and the manager must satisfactorily complete our initial training. The manager does not have to own an equity interest in the Franchised Business. All applicable employees of yours must be properly licensed, as required by applicable law. All temporary and permanent placement employees you screen and we hire must at all times be properly licensed, credentialed and screened as required by applicable law and contractual obligations with clients.

If you will not be involved in the day-to-day operation of the Franchised Business for at least 40-hours per week (with accommodation for national holidays and normal deviations from traditional work weeks), you will be required to hire a full-time recruiter to operate the business and a full-time business development associate to develop the business within 30 days of signing your Franchise Agreement. You may designate one of these individuals to also be the manager of your Franchised Business. Failure to retain a General Manager or successor General Manager is a default of your Franchise Agreement that can subject it to termination.

Any owner or operator, including each of your principals, your manager and all other personnel you employ who will have access to our proprietary and confidential information and training must sign our Confidentiality and Non-Compete Agreement which is attached to our Franchise Agreement as Attachment 5. We will be a third-party beneficiary of each agreement with the independent right to enforce the agreement's terms. We have the right, in our discretion, to decrease the period of time or geographic scope of the non-competition covenants contained in the attachments or eliminate the non-competition covenants altogether for any party that must sign an agreement as described in this paragraph.

If your Franchised Business is owned by an entity, all owners of the entity must personally sign the Franchise Agreement as a "Principal". If you are a married individual, your spouse must sign our Spousal Guaranty which is attached to our Franchise Agreement as Attachment 4.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer all products and perform all services that we periodically require for ATC Healthcare Services businesses. Our Operations Manual may regulate required and authorized products and services and product and service categories. We periodically may change required and/or authorized products and services and product and service categories and there are no limits on our right to do so.

We may develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all ATC Healthcare Services businesses operating under the System. You must participate in all advertising and sales promotion programs in accordance with the terms and conditions established by us for each program. In all aspects of these programs, including the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by us are final. There is no set schedule for these programs, which will be offered approximately one or two times a year, as needed. The cost we may charge for these advertising and sales promotion programs will be proportional to your participation and size and will not exceed $5,000 per program per year. Your participation in the advertising and sales promotion programs may be applied toward satisfaction of your local advertising requirement.

We do not impose any other restrictions in the Franchise Agreement or otherwise, as to the goods or services that you may offer or sell or as to the clients to whom you may offer or sell, except as described in Item 12 and below.

You may not accept any employment order, assignment or request that is: (1) subject to or conditioned upon race, creed, color, religion, age, sex, national origin, disability, marital status, veteran status or in violation of any federal, state or municipal laws concerning employment discrimination; (2) in violation of any federal, state or municipal wage and hour law, the Fair Labor Standards Act, the Occupational Safety and Health Administration Act or any other law, act or regulation of any governmental body or accreditation organization to which we subscribe; (3) for temporary services related temporary services for home care personnel services, private duty personal care in the home, hospital or any other residence or residential facility where payment is not made by the facility; or (4) for any service which you have not been authorized by us to provide.

You will not present to us for acceptance, unless we give you prior written consent, any order for private-care staffing services: (1) where the client is a firm in which you, or any member of your family, has a direct or indirect financial interest greater than 10%; (2) from clients that you are aware we have not approved for credit, from clients that we have notified you have reached or exceeded credit limits; upon notification by us, from a client who we have notified you has violated or is violating our rules and requirements about paying invoices; or from a client we have notified you that we reasonably believe has financial difficulties; (3) where we determine that a prospective client or category of prospective clients is a poor credit risk and notify you of the same; from a client who is on "credit hold" by us and we notify you of the same, or from a client who has outstanding invoices from us which are over 90 days old and we notify you of the same; (4) where in-home care employees will handle, control or have unsupervised access to valuable property, cash or negotiable securities, unless the client has signed an agreement we approve of, holding both us and you harmless from any liability or losses suffered as a result of the assignment; (5) from clients seeking to arrange payroll funding, employee leasing or similar/related programs; (6) where the services to be performed by the in-home care employee are performed upon your business premises;

(7) where the services to be performed by the in-home care employee includes medical services outside the "basic medical services" (i.e. monitoring vital signs, the handling and dispensing of medications); or (8) where the client is not a health care user or provider.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

Provision	Section in Franchise Agreement	Summary
(a) Length of the franchise term	1	10 years
(b) Renewal or extension of the term	13	If we are still franchising and you are in good standing, you may renew your franchise for two additional terms of 5 years each.
(c) Requirements for franchisee to renew or extend	13	You must provide notice that you wish to renew your Franchise Agreement; you must be current in all payments and not in default of your Franchise Agreement; if we require, you must renovate and/or upgrade your Franchised Business; you must sign release and sign renewal Franchise Agreement; you must pay renewal fee. You may be asked to sign a contract with materially different terms and conditions than your original contract, but the boundaries of your territory will remain the same, and the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees.
(d) Termination by franchisee	Not applicable	The Franchise Agreement does not provide for this, but you may seek to terminate on any grounds available to you by law.
(e) Termination by franchisor without cause	Not applicable	We may not terminate your Franchise Agreement without cause.
(f) Termination by franchisor with cause	14	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination.
(g) "Cause" defined – curable defaults	14	Curable defaults include monetary defaults, failure to obtain required insurance or bonds, failure to comply with Brand Standards, and failure to pay minimum quarterly royalty fee.

Provision	Section in Franchise Agreement	Summary
(h) "Cause" defined – non-curable defaults	14	Non-curable defaults include no activity in your Territory for a period of 12 months following your Opening Date, material misrepresentation or omission by you, failure to open Franchised Business on time, failure to complete training, abandonment, unapproved transfers, loss of required license; conviction of a felony or misdemeanor involving violence or moral turpitude, failure to maintain insurance, interference with our right to inspect, dishonest, illegal or unethical conduct, unauthorized use or disclosure of the Operations Manual or confidential information, repeated defaults (even if cured), bankruptcy, an assignment for the benefit of creditors, appointment of a trustee or receiver, violation of a non-compete restriction, uncured default under your lease, failure to pay amounts due, violation of any law, ordinance or regulation relating to terrorist activities or if assets, property or interests are "blocked" due to violations, failure to comply with any other provisions of the Agreement and failure not cured within required time.
(i) Franchisee's obligations on termination/non-renewal	15	Obligations include paying outstanding amounts (which may include liquidated damages); complete de-identification; assignment of contracts to us or our designee; and returning confidential information (also see (o) and (r) below).
(j) Assignment of contract by franchisor	12	No restriction on our right to assign; we may assign without your approval.
(k) "Transfer" by franchisee – defined	12	Includes transfer of Franchise Agreement, sale of Franchised Business's assets and ownership change.
(l) Franchisor approval of transfer by franchisee	12	No transfer without our prior written consent.
(m) Conditions for franchisor approval of transfer	12	New franchisee qualifies and signs required agreements; you pay us all amounts due, including transfer fee, outstanding loan amounts and delinquent accounts; provide notice of the transfer; you sign release.

Provision	Section in Franchise Agreement	Summary
(n) Franchisor's right of first refusal to acquire franchisee's business	12	If you at any time determine to sell or transfer (a) an interest in the Franchise Agreement, (b) all or substantially all of the Operating Assets, or (c) the Office (including the right to receive your portion of the Office's profits or losses) – except to or among your Principals – you agree to obtain from a responsible and fully disclosed buyer, and send to us, a true and complete copy of a bona fide, executed written offer relating exclusively to an interest in this Agreement, the Operating Assets and the Office. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price.
		We may, by delivering written notice to you within thirty (30) days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest for the price and on the terms and conditions contained in the offer, provided that: (i) we may substitute cash for any form of payment proposed in the offer; (ii) our credit will be deemed equal to the credit of any proposed buyer; (iii) we will have not less than sixty (60) days to prepare for closing after notifying you of our election to purchase; and (iv) we must receive, and you agree to make, all customary representations and warranties given by the seller of the assets of a business, including, without limitation, representations and warranties regarding ownership and condition of, and title to, assets and validity of contracts and the liabilities, contingent or otherwise, relating to the assets being purchased. If we exercise our right of first refusal, you agree that, for three (3) years beginning on the closing date, you will be bound by the non-competition covenant contained in the Franchise Agreement.
(o) Franchisor's option to purchase franchisee's business	15	We may purchase all or a portion of your Franchised Business after termination or expiration of your Franchise Agreement.

Provision	Section in Franchise Agreement	Summary
(p) Death or disability of franchisee	12	Upon your death or disability, we may assign a manager to operate your Franchised Business or we may purchase the business from your personal representatives or estate for a set price.
(q) Non-competition covenants during the term of the franchise	7	You and your principals may not participate in a competitive business in any capacity. Non-competition covenants are subject to state law.
(r) Non-competition covenants after the franchise is terminated or expires	15	No direct or indirect ownership interest in, or performing for, a competitive business for three years within 75 miles of any ATC Healthcare Services franchised or company owned business in the System (same restrictions apply after transfer). Non-competition covenants are subject to state law.
(s) Modification of the Agreement	17	No modifications generally, but we may make changes to the Operations Manual and Brand Standards.
(t) Integration/Merger Clause	17	Only the terms of the Franchise Agreement are binding (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	17	Except for certain claims, all disputes must be arbitrated in Nassau County, New York (subject to state law).
(v) Choice of forum	17	Nassau County, New York (subject to state law).
(w) Choice of law	17	Except for federal and state law, New York law governs (subject to state law).

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchise. However, we have the right to use any public figure we choose in the future without your permission.

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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.

The following sets of historical information represent an average of revenue and gross margin percentage for the fiscal year ended September 30, 2025, achieved by 33 ATC Healthcare Services branches that have been operating for at least one year as of September 30, 2025[1] ("Reporting Franchises"), and the average revenue earned by these Reporting Franchises broken out by type of facility and discipline. We have excluded 1 branches that opened during our fiscal year 2025 because they were not operating for at least one year as of September 30, 2025 and 1 branch due to abandonment of the location during 2025. Included in the 33 Reporting Franchises are 9 branches that operate multiple territories reported in Item 20 and 9 branches that offer permanent placement[2].

#1 – Total Revenue and Gross Margin Percent by Years Open[3]

Total Revenue of Reporting Franchises Open for 1-5 Years (14 Reporting Franchises)						
	Average	**Median**	**High**	**Low**	**# Above Average**	**% Above Average**
Revenue	$3,536,960	$1,518,641	$13,786,163	$105,577	5	36%
Gross Margin % of Reporting Franchises Open for 1-5 Years – 2025 (14 Reporting Franchises)						
Gross Margin Percent	22%	21%	34%	12	7	50%

Total Revenue of Reporting Franchises Open for 6-10 Years (8 Reporting Franchises)						
	Average	**Median**	**High**	**Low**	**# Above Average**	**% Above Average**
Revenue	$1,799,504	$2,007,974	$3,654,501	$444,638	5	63%
Gross Margin % of Reporting Franchises Open for 6-10 Years – 2025 (8 Reporting Franchises)						
Gross Margin Percent	25%	23%	37%	18%	2	25%

Total Revenue of Reporting Franchises Open for 11+ Years (11 Reporting Franchises)						
	Average	**Median**	**High**	**Low**	**# Above Average**	**% Above Average**
Revenue	$3,485,449	$1,966,369	$10,286,436	$283,978	4	40%
Gross Margin % of Reporting Franchises Open for 11+ Years – 2025 (11 Reporting Franchises)						
Gross Margin Percent	22%	21%	30%	16%	3	27%

[1] The reporting outlets do not differ materially from the franchise on offer in this disclosure document.

[2] Permanent placements are for personnel placed at a facility on a permanent basis and the client pays either a fixed amount or a percentage of the first year's salary paid to personnel. The fees earned for permanent placements at the three branches offering the service account for only .00015% of the Total Revenue.

[3] Gross margin percent, as used in this table, means Total Revenue less Direct Costs, divided by Total Revenue. The Average and Median are calculated using Gross Margin Percent. The High was based on the location with the highest Gross Margin Percent, which is not the location with the highest revenue.

#2 – Metrics by Contract Hours and Type of Facility
All Reporting Franchises

Please note that all of the Reporting Franchises do not provide Services to each type of facility listed below. Thus, we have excluded from certain of the categories below those Reporting Franchises that did not place personnel at an applicable type of facility.

Type of Facility* 2025	# of Reporting Franchises	Average Billed Hours	Average Billed Amount	Median Billed Hours	Median Billed Amount	# of Franchises Above Average	% of Franchises Above Average
Government[1]	22	4,852	$379,245	844	$53,923	8	36%
Group Homes[2]	11	28,561	$872,395	5,854	$191,215	2	18%
Clinics/Physicians[3]	11	8,438	$229,610	198	$9,838	2	18%
Hospitals[4],[7]	15	1,296	$98,912	364	$26,297	5	33%
Nursing Homes[5]	25	1,636	$44,273	780	$12,363	14	56%
Other[6]	6	1,372	$49,274	1,049	$44,700	3	50%

*Government includes: Public Agencies, Schools and Correctional Facilities; Group Homes include: Developmental Facilities and Adult Day Care; Clinics include Mental Health Clinics; Nursing Homes include: Long Term Care Facilities, Rehabilitation Facilities, Hospices, Assisted Living Facilities, Private Duty Nursing and Home Care Agencies; Other includes: Non-medical and other types of facilities not included in the other categories.

1. The high and low of this average are $11,897,202 and $231, respectively.
2. The high and low of this average are $8,351,173 and $1,086, respectively.
3. The high and low of this average are $3,282,594 and $22, respectively.
4. The high and low of this average are $1,901,650 and $170, respectively.
5. The high and low of this average are $1,735,337 and $11 respectively.
6. The high and low of this average are $161,135 and $150 respectively.
7. ATC Travelers billed an average of 823 hours and $68,156. The median is 604 hours and $70,373.

#3 –Metrics by Discipline
All Reporting Franchises

Please note that all of the Reporting Franchises do not provide place each type of discipline listed below. Thus, we have excluded from certain of the categories below those Reporting Franchises that did not place a certain discipline of personnel.

Type of Discipline 2025	# of Reporting Franchises	Average Hours Billed	Median Hours Billed	# of Franchises Above Average	% of Franchises Above Average
RN	28	1,486	327	8	29%
LPN	28	1,120	237	13	46%
Direct Support	17	3,802	780	7	41%
CNA	23	1,626	437	9	39%
Other	25	4,782	344	7	28%

1. The high and low of this average are $357,553 and $22, respectively.
2. The high and low of this average are $340,315 and $20, respectively.

3. The high and low of this average are $172,171 and $35, respectively.
4. The high and low of this average are $119,639 and $20, respectively.
5. The high and low of this average are $296,937 and $33 respectively.

Type of Discipline	# of Reporting Franchises	Average Hours Billed	Median Hours Billed	# of Franchises Above Average	% of Franchises Above Average
RN[6]	27	1,494	319	8	29%
LPN	28	1,120[2]	237	13	46%
Direct Support	17	3,802[3]	780	7	41%
CNA	23	1,626[4]	437	9	39%
Other	25	4,782[5]	344	7	28%

1. The high and low of this average are 2,102 and 0, respectively.
2. The high and low of this average are 3,242 and 0, respectively.
3. The high and low of this average are 4,123 and 1, respectively.
4. The high and low of this average are 3,583 and 1, respectively.
5. The high and low of this average are 3,151 and 0 respectively.
6. ATC Travelers billed an average of 823 hours and $68,156. The median is 604 hours and $70,373.

#4 – Permanent Placements

During the fiscal year ended September 30, 2025, the average and median permanent placements were $18,885 and $15,707, respectively, earned by Reporting Franchises, with the highest and lowest amounts being $68,273 and $1,778, respectively, earned by the Reporting Franchises. Permanent placements are for personnel placed at a facility on a permanent basis and the client pays either a fixed amount or a percentage of the first year's salary personnel paid by the company. The Reporting Franchises retain 85% of the fees earned for permanent placements

Some outlets have earned the amounts shown above. Your individual results may differ. There is no assurance that you'll earn as much.

"Gross Margin" is determined by subtracting Direct Costs (described below) from your Total Revenue (described below).

"Direct Costs" include the costs we will deduct from your revenue for costs directly related to your Office's operations, including, without limitation: (i) the wages of the temporary employees whose services were sold by your Office and billed for by us, including base compensation and all sign-on and other bonuses; (ii) Social Security (FICA), Federal Unemployment (FUTA), State Disability (where applicable), and all other Federal, State and local taxes measured by or based upon the temporary employee's earned wages; (iii) health insurance (and/or penalties), as required under the prevailing regulations, expenses related to background checks (including checks for proper credentials or criminal activities) and drug screening, insurance costs measured by or based upon the temporary employee's earned wages, such as workers' compensation, disability insurance, unemployment insurance, and similar insurance, as required by law; (iv) discretionary insurances such as healthcare and dental insurance in which the temporary employee may participate; (v) housing expense, daily allowance, and travel expense incurred by the temporary employee; (vi) the amount of all sales taxes or similar taxes which, by law, are chargeable to customers (but only to the extent they have been included); (vii) the amount of any authorized and documented credits, sales allowances, discounts and/or rebates given to customers; and any reserve established under the Accounts Receivable Reserve Program; (vii) expenses related to the Daily Pay Program, if you participate in such program; (viii) your portion of any delinquent

invoices related to your Office; and (ix) Vender Management System (VMS) fees charged by providers. Royalty Fees and Brand Fund Fees are not included in the definition of Direct Costs.

"Total Revenue" means the total amount received or receivable arising from, connected with or related to the sale of all goods, merchandise or services and all business transacted at, from or through your Franchised Business, directly or indirectly, excluding only (a) sales taxes and other taxes separately stated and collected from clients and paid to taxing authorities; (b) refunds and credits made in good faith to arm's-length clients according to our standards and specifications for issuing refunds or credits; and (c) the discount value of any coupon, voucher or other allowance that we authorize at the time the client's coupon, voucher or allowance is redeemed

The figures used in this Item 19 present certain subsets of average revenues only. These Disclosed Franchises offered substantially the same products and services to the public as you will. We process all invoices and payments for these Disclosed Franchises. Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request. The information presented above has not been audited.

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 this information.

Other than the preceding financial performance representations, ATC Healthcare Services, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting David Savitsky, ATC Healthcare Services, LLC, located at 1 Hollow Lane, Suite 201, Lake Success, NY 11042 and phone number (516) 750-1600, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Fiscal Years Ended September 30, 2023, September 30, 2024, and September 30, 2025

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	2023	61	66	+5
	2024	66	35	-31
	2025	35	35	0
Company-Owned	2023	0	0	0
	2024	0	2	+5
	2025	5	0	-5
Total Outlets	**2023**	**61**	**66**	**+5**
	2024	**66**	**40**	**-31**
	2025	**40**	**35**	**-5**

The Franchised Outlets reflected in the above table includes existing licensees in the System.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Fiscal Years Ended September 30, 2023, September 30, 2024, and September 30, 2025

Column 1 State	Column 2 Year	Column 3 Number of Transfers
FL	2023	0
	2024	1
	2025	0
IL	2023	0
	2024	1[2]
	2025	0
IN	2023	0
	2024	1
	2025	0
MI	2023	0
	2024	2[3]
	2025	0
MO	2023	0
	2024	0
	2025	0

Column 1 State	Column 2 Year	Column 3 Number of Transfers
OR	2023	1
	2024	0
	2025	0
TX	2023	0[5]
	2024	2
	2025	0
WA	2023	1
	2024	0
	2025	0
Total	**2023**	**6**
	2024	**8**
	2025	**0**

[1] 4 Territories were terminated and run by corporate and then resold to a new franchisee during the same fiscal year ended September 30, 2023
[2] Franchisee was terminated and Franchisor manages this location.
[3] Franchisee was terminated and Franchisor manages this location.
[4] 2 Franchisees were terminated and Franchisor manages this location.
[5] Franchisee was terminated and Franchisor manages this location.

Table No. 3
Status of Franchised Outlets
For Fiscal Years Ended September 30, 2023, September 30, 2024, and September 30, 2025

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Termina-tions	Col 6 Non-Renewals	Col 7 Reacquired by Franchisor	Col 8 Ceased Operations – Other Reasons	Col 9 Outlets at End of the Year
AL	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
CA	2023	5	6	0	0	0	0	11
	2024	11	0	9	0	0	0	2
	2025	2	0	0	0	0	0	2
DE	2023	0	1	0	0	0	0	1
	2024	1	0	1	0	0	0	0
	2025	0	0	0	0	0	0	0
FL	2023	8	0	0	0	0	1[1]	7
	2024	7	0	5	0	1	0	1
	2025	1	0	0	0	0	0	1

GA	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
IL	2023	2	0	1	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
IN	2023	4	0	0	0	0	0	4
	2024	4	0	3	0	0	0	1
	2025	1	0	0	0	0	0	1
MD	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
MI	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
MO	2023	2	0	1	0	0	0	1
	2024	1	0	0	0	1	0	0
	2025	0	0	0	0	0	0	0
NC	2023	0	1	0	0	0	0	1
	2024	1	0	1	0	0	0	0
	2025	0	0	0	0	0	0	0
NJ	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
NV	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
NY	2023	3	1	0	0	0	0	4
	2024	4	1	0	0	0	0	5
	2025	5	0	1	0	0	0	4
OH	2023	2	0	0	0	0	0	2
	2024	2	0	1	0	0	0	1
	2025	1	0	0	0	0	0	1
OR	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
PA	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2

SC	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
TN	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0	0	0
	2025	0	0	0	0	0	0	0
TX	2023	8	0	0	0	0	0	8
	2024	8	0	6	0	2	0	0
	2025	0	0	0	0	0	0	0
VA	2023	4	3	3	0	0	1[2]	3
	2024	3	0	1	0	0	0	2
	2025	2	0	0	0	0	0	2
WA	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Total	**2023**	**60**	**12**	**5**	**0**	**0**	**2**	**65**
	2024	**65**	**1**	**28**	**0**	**4**	**0**	**34**
	2025	**34**	**1**	**1**	**0**	**0**	**0**	**34**

[1] One Territory was combined with a previously existing Territory. It is still operational as the Broward County Territory (See Exhibit E).
[2] Corporate took over 4 territories during fiscal year 2023 and resold all 4 during the same fiscal year. During the sale, one Territory was combined with another and is still operational as the Richmond Territory (See Exhibit E).

Table No. 4
Status of Company-Owned Outlets
For Fiscal Years Ended September 30, 2023, September 30, 2024, and September 30, 2025

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Outlets Reacquired from Franchisee	Col 6 Outlets Closed	Col 7 Outlets Sold to Franchisee	Col 8 Outlets at End of the Year
Total	**2023**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**5**	**0**	**0**	**0**	**5**
	2025	**5**	**0**	**0**	**5**	**0**	**0**

Table No. 5
Projected Openings as of September 30, 2025

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	1	0
Florida	0	1	0
Georgia	2	0	0
New Jersey	0	1	1
South Carolina	1	0	0
Texas	0	1	1
Washington	0	1	1
Total	**3**	**5**	**3**

A list of the names of all franchisees and the addresses and telephones numbers of their franchised businesses will be provided in Exhibit E to this Disclosure Document when applicable.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit E to this Disclosure Document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the ATC Healthcare Services System.

There are no trademark-specific organizations formed by our franchisees that are associated with the ATC Healthcare Services System.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit D to this Disclosure Document are the audited financial statements for ATC Healthcare, Inc., the Guarantor, for the fiscal years ended September 30, 2023, September 30, 2024; and September 30, 2025. The Guarantee of Performance by ATC Healthcare, Inc., our parent company and Guarantor, is absolute and unconditional and is attached to this Disclosure Document in Exhibit D-1. Our Fiscal year end is September 30th.

ITEM 22
CONTRACTS

The following agreements are exhibits:

Franchise Agreement and Attachments – Exhibit C
Form of General Release – Exhibit G

ITEM 23
RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return one signed copy to us and retain the other for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 335-7567	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce

State	State Agency	Agent for Service of Process
NEW YORK	New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222 Phone (212) 416-6042 Fax	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Insurance & Securities Department 600 East Boulevard, Dept. 401 Bismarck, ND 58505 (701) 328-4712	North Dakota Insurance Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B TO THE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA

ADDENDUM TO THE ATC HEALTHCARE SERVICES, LLC
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF CALIFORNIA

This will serve as the State Addendum for the State of California for ATC Healthcare Services, LLC's Franchise Agreement. The amendments to the Franchise Agreement included in this addendum have been agreed to by the parties.

CALIFORNIA LAW MODIFICATIONS

1. The California Department of Financial Protection and Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORP. CODE Section 31000 et. seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et. seq. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

b. Franchisees shall not be required to remit any fees to Franchisor until such time as Franchisor has fulfilled all its initial obligations owed to Franchisee under the Franchise Agreement, or other documents, and the Franchisee has commenced doing business pursuant to the Franchise Agreement.

c. The Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

d. The Agreement requires application of the laws of Delaware. This provision may not be enforceable under California law.

e. The Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

f. The Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

g. The Agreement references the maximum interest rate allowable by law. Under California law, the maximum interest rate that may be charged is 10%.

2. Each provision of this State Addendum shall be effective only to the extent that the jurisdictional requirements of the California Business and Professions Code, with respect to each such provision, are met independent of this State Addendum. This State Addendum shall have no force or effect if such jurisdictional requirements are not met.

3. No disclaimer, questionnaire, clause or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim or fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any documents executed in connection with the franchise.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its owners, acknowledges that it has read and understands the contents of this State Addendum, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this State Addendum and be bound thereby. The parties have duly executed and delivered this State Addendum to the Agreement on the date first set forth above.

The parties hereto have duly executed, sealed and delivered this Addendum dated_____.

FRANCHISEE:	FRANCHISOR:
_____	ATC HEALTHCARE SERVICES, LLC
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

ADDENDUM TO THE ATC HEALTHCARE SERVICES, LLC
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF HAWAII

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

ADDENDUM TO THE ATC HEALTHCARE SERVICES, LLC
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the franchise agreements.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

Franchisor reserves the right to designate "National or Regional Accounts" anywhere, including within your "Protected Territory". All of the terms of National/ Regional Accounts are negotiated by the Franchisor. You MAY be offered the opportunity to service a National/ Regional Account. However, if Franchisor retains the services of an Account manager, you must pay the manager an hourly fee, even if you provide the services (see item 6 for fee)

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

The parties hereto have duly executed, sealed and delivered this Addendum dated _____ _____.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
ATC HEALTHCARE SERVICES, LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____

ADDENDUM TO THE ATC HEALTHCARE SERVICES, LLC
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the franchise agreements.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

Franchisor reserves the right to designate "National or Regional Accounts" anywhere, including within your "Protected Territory". All of the terms of National/ Regional Accounts are negotiated by the Franchisor. You MAY be offered the opportunity to service a National/ Regional Account. However, if Franchisor retains the services of an Account manager, you must pay the manager an hourly fee, even if you provide the services (see item 6 for fee)

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

The parties hereto have duly executed, sealed and delivered this Addendum dated _____ _____.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
ATC HEALTHCARE SERVICES, LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

ADDENDUM TO THE ATC HEALTHCARE SERVICES, LLC
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the franchise agreements.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

Franchisor reserves the right to designate "National or Regional Accounts" anywhere, including within your "Protected Territory". All of the terms of National/ Regional Accounts are negotiated by the Franchisor. You MAY be offered the opportunity to service a National/ Regional Account. However, if Franchisor retains the services of an Account manager, you must pay the manager an hourly fee, even if you provide the services (see item 6 for fee)

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

The parties hereto have duly executed, sealed and delivered this Addendum dated _____ _____.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
ATC HEALTHCARE SERVICES, LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

ADDENDUM TO THE ATC HEALTHCARE SERVICES, LLC
FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF INDIANA

1. To be added to Item 3 of the Disclosure Document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.

3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).

4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. The appropriate sections of the Franchise Agreement are hereby amended.

5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

The parties hereto have duly executed, sealed and delivered this Addendum dated _____ _____.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
ATC HEALTHCARE SERVICES, LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

ADDENDUM TO THE ATC HEALTHCARE SERVICES, LLC
FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for ATC Healthcare Services, LLC's Franchise Disclosure Document.

1. Item 11 of the Franchise Disclosure Document shall be amended to state that a franchisee may obtain an accounting of the advertising fund as required by Maryland Franchise Registration and Disclosure Law, by requesting same in a written request to Franchisor.

2. Item 17 of the Franchise Disclosure Document shall be amended to state that the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 of the Franchise Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. Item 17 of the Franchise Disclosure Document is hereby amended to state that a Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement which provide for termination upon bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for ATC Healthcare Services, LLC's Franchise Agreement. The amendments to the Franchise Agreement included in this addendum have been agreed to by the parties.

1. The provisions in the Franchise Agreement which provide for termination upon bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

2. The appropriate sections of the Franchise Agreement shall be amended to state that the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. The appropriate sections of the Franchise Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. The appropriate sections of the Franchise Agreement are hereby amended to state that a Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The Franchise Agreement are hereby amended to state that any representations which require a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The parties hereto have duly executed, sealed and delivered this Addendum dated this day of ____ _____.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
ATC HEALTHCARE SERVICES, LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

ADDENDUM ADDENDUM TO THE ATC HEALTHCARE SERVICES, LLC FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF MINNESOTA

This addendum to the Disclosure Document effectively amends and revises said Disclosure Document and Franchise Agreement as follows:

1. Item 13 of the Disclosure Document and the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

> "In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding such use."

2. Item 17 of the Disclosure Document and the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

> "With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld."

3. Item 17 of the Disclosure Document and the Franchise Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

> "Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

4. Item 17 of the Disclosure Document and the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

> "Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release."

5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. Section 17.10 of the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

7. Section 17.13 of the Franchise Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.

8. Item 6, Insufficient Fund Fees: NSF fees are governed by Minnesota Statute 604.113; which puts a cap of $30 on an NSF check. This applies to everyone in Minnesota who accepts checks except banks.

9. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. The Franchise Agreement is hereby amended accordingly.

10. Under Minn. Rule 2860.4400(G), the franchisor is prohibited from imposing on a franchisee by contract or rule, whether written or oral, any standard of conduct that is unreasonable.

11. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with this franchise.

The parties hereto have duly executed, sealed and delivered this Addendum dated _____ _____.

FRANCHISEE:	FRANCHISOR:
_____	ATC HEALTHCARE SERVICES, LLC
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

ADDENDUM TO THE ATC HEALTHCARE SERVICES, LLC FRANCHISE DISCLOSURE DOCUMEN REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise 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 FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21st FLOOR, NEW YORK, NEW YORK, 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE 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 FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person 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.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party 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 has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party 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, resulting from 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 license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee":

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the "Summary" section of Item 17(j), titled "Assignment of contract by franchisor":

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum", and Item 17(w), titled "Choice of law":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

[[SIGNATURES ON FOLLOWING PAGE]

The parties hereto have duly executed, sealed and delivered this Addendum dated _____ _____.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
ATC HEALTHCARE SERVICES, LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

ADDENDUM TO THE ATC HEALTHCARE SERVICES, LLC
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document and Franchise Agreement effectively amends and revises said documents as follows:

1. Item 17(c) of the Disclosure Document and Section 13 of the Franchise Agreement requires the franchisee to sign a general release upon renewal of the franchise agreement. The Commissioner has determined this to be unfair, unjust and inequitable with the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Please delete the provision each place it appears in the offering circular and agreements used in North Dakota.

2. Item 17(i) of the Disclosure Document and Section 15 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. The Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Please delete the provision each place it appears in the offering circular and agreements used in North Dakota.

3. Item 17(r) of the Disclosure Document and Section 15 of the Franchise Agreement discloses the existence of certain covenants restricting competition to which franchisees must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

I suggest that the following language be added to these items: "Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota."

4. Item 17(u) of the Disclosure Document and Section 17 of the Franchise Agreement provides that the franchisee must agree to the arbitration or mediation of disputes, such arbitration or mediation to be held in Nassau County, New York. The Commissioner has determined that franchise agreements, which provide that parties agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business are unfair, unjust, or inequitable with the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. I suggest that this provision be amended to provide the site of arbitration or mediation be agreeable to all parties.

5. Item 17(v) of the Disclosure Document and Section 17.6 of the Franchise Agreement provides that franchisees must consent to the jurisdiction of courts in Nassau County, New York. The Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. I suggest that this provision be deleted.

6. Item 17(w) of the Disclosure Document and Section 17.7 of the Franchise Agreement provides that the agreement shall be construed according to the laws of the State of New York. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud) the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents, and is unfair to franchise investors to require them to waive their rights under North Dakota Law.

The Commissioner has held that franchise agreements, which specify that they are to be governed by the laws of a state other than North Dakota, are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. I suggest that either this provision be deleted or the word "New York" be replaced with the words "North Dakota".

7. Section 17 of the Franchise Agreement requires the franchisee to consent to a waiver of trial by jury. The Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Please delete the provision each place it appears in the offering circular and agreements used in North Dakota.

8. Section 17 of the Franchise Agreement requires the franchisee to consent to a waiver of exemplary and punitive damages. The Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Please delete the provision each place it appears in the offering circular and agreements used in North Dakota.

9. Section 17 of the Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. The Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. I suggest this provision be changed to read the statute of limitations under North Dakota Law will apply.

10. Section 17 of the Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by the franchisor in enforcing the agreement. The Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. I suggest that this provision be changed to read that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

In the State of North Dakota, we will defer the payment of the initial franchise fee, development fee and any other initial payment until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

The parties hereto have duly executed, sealed and delivered this Addendum dated _____ _____.

FRANCHISEE:	FRANCHISOR:
_____	ATC HEALTHCARE SERVICES, LLC
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

ADDENDUM TO THE ATC HEALTHCARE SERVICES, LLC
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

> "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

In the State of Rhode Island, we will defer the payment of the initial franchise fee, development fee and any other initial payment until all of our material pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

The parties hereto have duly executed, sealed and delivered this Addendum dated _____ _____.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
ATC HEALTHCARE SERVICES, LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

ADDENDUM TO THE ATC HEALTHCARE SERVICES, LLC
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF SOUTH DAKOTA

In the State of South Dakota, we will defer the payment of the initial franchise fee, development fee and any other initial payment until all of our material pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

The parties hereto have duly executed, sealed and delivered this Addendum dated _____ _____.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
ATC HEALTHCARE SERVICES, LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

ADDENDUM TO THE ATC HEALTHCARE SERVICES, LLC
DISCLOSURE DOCUMENT REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for ATC Healthcare Services, LLC for use in the Commonwealth of Virginia shall be amended as follows:

1. Additional Disclosure: The following statements are added to Item 17.h:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement and development agreement does not constitute "reasonable cause," as that the term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, the provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

The parties hereto have duly executed, sealed and delivered this Addendum dated _____ _____.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
ATC HEALTHCARE SERVICES, LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

ADDENDUM TO THE ATC HEALTHCARE SERVICES, LLC
DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF WASHINGTON

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED BY THE STATE OF WASHINGTON

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

[SIGNATURES ON FOLLOWING PAGE]

The parties hereto have duly executed, sealed and delivered this Addendum dated _____ _____.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
ATC HEALTHCARE SERVICES, LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

EXHIBIT C TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

ATC HEALTHCARE SERVICES, LLC

FRANCHISE AGREEMENT

_____

FRANCHISEE

_____

DATE OF AGREEMENT

☐ Single Unit Franchise
☐ Multiple Unit Discount Package

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ATTACHMENTS:

1 – Statement of Ownership Interests in Franchisee/Entity
2 – Site and Territory
3 – Internet Advertising, Social Media and Telephone Account Agreement
4 – Spousal Guaranty
5 – Confidentiality and Non-Compete Agreement
6 – Collateral Assignment of Lease
7 – Conversion Addendum
8 – Electronic Funds Transfer Form

FRANCHISE AGREEMENT

THIS AGREEMENT, entered into on _____, by and between the franchisor ATC Healthcare Services, LLC, a Georgia limited liability company, with its principal address at 1983 Marcus Avenue, Suite E-122, New Hyde Park, New York, 11042 (herein referred to as "we", "us" or "our"), and _____, a(n) _____ _____, whose principal address is _____, and _____'s principal(s), _____, an individual, residing at _____, and _____, an individual, residing at _____ ("Principal(s)"), who shall be collectively referred to in this Agreement as "you" or "your" or "Franchisee".

ARTICLE 1
PREAMBLES AND GRANT OF FRANCHISE

1.1 Preambles

1.1.1 We and our affiliate have designed and developed a method of developing and operating a business that provides medical professional temporary and permanent staffing solutions to healthcare facilities (the "Services"). ATC Healthcare Services businesses have distinctive business formats, methods, procedures, designs, layouts, standards and specifications, all of which we may improve, further develop and otherwise modify from time to time. Our system (the "System") includes, but is not limited to, uniform formats, designs, systems, methods, specifications, standards and procedures, all of which may be changed, updated, improved and further developed by us from time to time.

1.1.2 We and our affiliate have developed and use, promote and license certain trademarks, service marks and other commercial symbols in operating ATC Healthcare Services businesses, including "ATC", which have gained and will continue to gain public acceptance and goodwill, and we may create, use and license other trademarks, service marks and commercial symbols for use in operating ATC Healthcare Services businesses (collectively, the "Marks" or "Proprietary Marks").

1.1.3 We grant to persons who meet our qualifications, and who are willing to undertake the investment and effort, a franchise to own and operate an ATC Healthcare Services business offering the products and services we authorize and using our System.

1.1.4 You have applied for a franchise to own and operate an ATC Healthcare Services business, and we have approved your application relying on all of your representations, warranties and acknowledgments contained in such application and this Agreement.

1.2 Grant of Franchise; Term

Subject to the terms of this Agreement, we grant you a franchise (the "Franchise") to operate as an ATC Healthcare Services business at the "Site" identified on Attachment 2, and to use the Marks and the System in its operation (the "Office"), for a term beginning on the date of this Agreement and expiring ten (10) years from that date, unless sooner terminated as provided herein. You may not relocate the Office without our prior written consent. You shall not provide Services to clients outside of your territory (as defined in Attachment 2 hereto), except as we may allow in limited circumstances as described below. You shall not offer or sell any products or services by catalog, direct mail, telephone order, by use of electronic means (e.g., the internet), or in any other medium not approved in writing by us. You will not present to us for acceptance, unless we give you prior written consent, any order for private-care staffing services: (1) where the client is a firm in which you, or any member of your family, has a direct or indirect financial interest greater than 10%; (2) from clients that you are aware we have not approved for credit, from clients

that we have notified you have reached or exceeded credit limits; upon notification by us, from a client who we have notified you has violated or is violating our rules and requirements about paying invoices; or from a client we have notified you that we reasonably believe has financial difficulties; (3) where we determine that a prospective client or category of prospective clients is a poor credit risk and notify you of the same; from a client who is on "credit hold" by us and we notify you of the same, or from a client who has outstanding invoices from us which are over 90 days old and we notify you of the same; (4) where in-home care employees will handle, control or have unsupervised access to valuable property, cash or negotiable securities, unless the client has signed an agreement we approve of, holding both us and you harmless from any liability or losses suffered as a result of the assignment; (5) from clients seeking to arrange payroll funding, employee leasing or similar/related programs; (6) where the services to be performed by the in-home care employee are performed upon your business premises; (7) where the services to be performed by the in-home care employee includes medical services outside the "basic medical services" (i.e. monitoring vital signs, the handling and dispensing of medications); or (8) where the client is not a health care user or provider.

You may not provide Services to a client located outside of your territory, unless (i) you receive our written consent; (ii) the area in which you wish to provide service is not included in another ATC Healthcare franchisee's territory or an area currently served by a company-owned Office; (iii) you agree to completely discontinue any advertising in the area in which you wish to provide service on 30 days notice or less upon our written demand; and (iv) you agree to forfiet the area and any customers you are serving in that area upon sale of the territory to another franchisee, for which you will receive no compensation. Any area you may serve outside of your territory is unprotected in the entirety and you will have no protection or exclusivity in that area. If the location of this "out of area" client or is a Temporary Client (as defined in Section 1.3 below), is later made part of the territory of another fully licensed and certified ATC Healthcare Services franchisee, your existing contracts with such client shall be transferred to the other franchisee over a period of time not to exceed three (3) months and, upon such transfer, you shall have no further rights to conduct business with or provide Services to such "out of area" client or Temporary Client.

The Services your Office may provide include medical professional temporary and permanent staffing solutions to healthcare facilities and providers, such as hospitals, nursing homes, hospices and medical clinics. Your Office may also provide travel healthcare associates, upon our approval, within your territory, but you acknowledge and understand that (i) our affiliate, ATC Travelers, has the right to place travel healthcare associates anywhere in the United States, including within your Territory, and (ii) our parent, ATC Physician Services, has the right to place physicians on short term and long term assignments (also known as *locum tenens*) and provide permanent placement services for physicians at any location, including within your Territory, and in either such event you shall not be entitled to any portion of the revenue from ATC Travelers' or ATC Physician Services' placement. Your Office may not offer or provide medical administrative staffing, home care personnel services, private care nurse placement, private duty personal care in the home, hospital or any other residence or residential facility where payment is not made by the facility, or personnel services for heavy or light industry.

1.3 Exclusive Territorial Rights

Upon our approval of the Site for your Office, we will describe your territory in Attachment 2 hereto (the "Territory"). The Territory may be described in terms of contiguous zip codes, street boundaries, town boundaries or similar boundaries, and may be depicted on a map attached to Attachment 2. Except as limited by Section 1.4 below, and provided that you are in full compliance with this Agreement, we and our affiliates will not operate or grant a franchise for the operation of another ATC Healthcare Services business at a location within the Territory during the term of this Agreement. Nothing herein shall be deemed to restrict (a) ATC Travelers' right to place travel healthcare associates at any location throughout the United States; (b) ATC Physician Services' right to place physicians at any location

throughout the United States; or (c) CareBuilders At Home's right to place in-home non-medical personnel at any location throughout the United States.

Notwithstanding the foregoing if, at the time you are granted your Territory, or receive such Territory by Transfer, you do not have all the proper licenses and certifications to provide clients Services from your Office, as required by law or otherwise determined by us in our sole and absolute discretion, we may grant another franchisee the right to offer such Services to clients in your Territory ("Temporary Clients") and receive the Distributed Balance (as defined in Section 3.2 below) associated with any temporary, temp-to-perm, or permanent employee placements until such time as you have obtained all licenses and certifications required by law or by us, at which point such Temporary Clients and the Distributed Balance will be transferred to you over a period of time not to exceed three (3) months.

1.4 Rights Reserved to Us

Except as expressly limited by Section 1.3 above, we and our affiliates retain all rights with respect to ATC Healthcare Services businesses, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including, but not limited to:

1.4.1 the right to offer and sell and to grant others the right to offer and sell the products and services offered at ATC Healthcare Services businesses, both within and outside the Territory, under trade and service marks other than the Marks and under any terms and conditions we deem appropriate;

1.4.2 the right to operate and to grant others the right to operate ATC Healthcare Services businesses located outside the Territory under any terms and conditions we deem appropriate and regardless of proximity to your Office;

1.4.3 the right to provide temporary travel healthcare associate placement at any location, including within your Territory;

1.4.4 the right to provide, and to grant others the right to provide, non-medical in-home care providers on a temporary or permanent basis at any location, including within your Territory, and using any trademarks, including the Marks;

1.4.5 the right to acquire and operate a business operating one (1) or more occupational medicine businesses located or operating in your Territory, but if one (1) of these businesses is located within your Territory, it will not operate using the Marks; and

1.4.6 the right, at any time, to establish a separate system and franchise offering different services and/or products under different trademarks, trade names and logos, without your consent. Nothing in this Agreement obligates us to notify you of our establishment of a new franchise opportunity or to offer you the opportunity or right to purchase the new franchise opportunity.

1.5 National or Regional Accounts

Except as provided below, and subject to other policies and procedures set forth in our Brand Standards Manual, and in the event we develop a national or regional account program, you may not solicit or service the locations of a National or Regional Account (as defined below) without our prior written consent. We have the right to condition our consent (although we are not obligated to grant our consent) on your agreement to comply with certain requirements and we have the right to withdraw our consent for any or no reason as we deem appropriate. If we withdraw our consent to your soliciting and/or servicing

one (1) or more National or Regional Accounts, you must cease all solicitation and servicing activity with respect to that National or Regional Account(s) immediately.

We retain the right under all circumstances to provide any services to any National or Regional Account location, wherever operated, provided, however, that where you have exclusive authority under this Agreement to offer and sell through your Office the services that we would like to provide to the National or Regional Account's locations, we first will offer you the opportunity to provide those services to the locations of the National or Regional Account on the terms and conditions that we have established with the National or Regional Account. If you fail to accept the offer in the manner we specify, we have the right, or may authorize other franchisees or third parties, to provide those services to the locations of the National or Regional Account. The term "National or Regional Account" means any customer that has employees or offices in two (2) or more locations, or which qualifies for corporate pricing for services. Nothing in this Section is intended to require you to participate in any National or Regional Account program. You are not permitted to negotiate cost of the approved products and services with a National or Regional Account without our prior consent. If we engage an account manager for any National or Regional Account for which you provide Services, you agree to pay such account manager's then-current fee for its management of the National or Regional Account contract up to 2% of your Gross Margin.

You understand and acknowledge that, due to the nature of our National or Regional Account program, you will not be the exclusive provider of Services to a National or Regional Account. You, we, our affiliates and/or other franchisees in the System may provide Services to a National or Regional Account depending on the National or Regional Account's needs, contract requirements, locations, your or any other franchisee's participation in the National or Regional Account program, and other factors. We reserve the right to designate a specific contact, which may be you or another franchisee in the System, as the main contact for a National or Regional Account. If you are designated to be a main contact, you shall comply with all of our requirements in so acting.

1.6 Daily Pay Program

We, with the assistance of a third-party vendor, have developed, for use by ATC Healthcare Services businesses, a daily pay program ("Daily Pay Program") through which we provide pay the healthcare associates placed by your Office of up to Five Hundred Dollars ($500) each week. Daily Pay Program checks and e-card advances are drawn on our account and will be treated as a direct cost to you, as described in Section 3.2 below. You are required to participate in our Daily Pay Program and must agree to comply with the guidelines and requirements of this program, as prescribed in our Brand Standards Manual and as they may be updated and/or modified from time to time, you must sign our form agreeing to comply with such guidelines and requirements, and you must obtain and maintain the fidelity bond that we require for participation in the program. If you fail to obtain the required fidelity bond or if you fail to comply with the Daily Pay Program's guidelines and requirements, as they may be updated, we have the right to immediately terminate your participation in this program or may terminate this Agreement.

1.7 **Additional Senior Fee**.

Franchisor may, in its sole discretion, permit Franchisee to add one or more ZIP codes to Franchisee's existing Territory during the Term of this Agreement. Any such addition shall be subject to Franchisor's prior written approval. If Franchisor approves the inclusion of additional ZIP codes, Franchisee shall pay to Franchisor a fee equal to One and 85/100 dollars ($1.85) for each individual aged sixty-five (65) or older residing within the newly added ZIP codes, as determined by the most recent demographic data available to Franchisor.

ARTICLE 2
SITE SELECTION AND OPENING OF BUSINESS

2.1 Approval of Site and Lease

You shall obtain our written approval of any proposed site for the Office in accordance with our procedures, which approval will not be unreasonably withheld. Your specific office location must be situated more than one (1) mile from any of the border of your Territory and must be a space outside of your personal residence. Within thirty (30) days after you execute this Agreement, you will submit to us the information that we require in order to evaluate the proposed site for your Office. You acknowledge that in approving a proposed site we may consider such matters as we deem material including, without limitation, demographic characteristics, traffic patterns, the predominant character of the neighborhood, competition from other businesses providing similar services within the area, the exclusivity granted to other franchisees of ours, the site's size, its appearance, and other physical characteristics.

Within thirty (30) days after our receipt of all information we require concerning the proposed site, we will approve or disapprove the site you propose for the operation of the Office by giving written notice to you. Unless we provide our specific approval of your proposed site, the site is deemed not approved. We will not unreasonably withhold our approval of a proposed site that meets our standards and specifications for an ATC Healthcare Services business; provided however that the site may not be located in your home under any circumstances. Upon our approval of a proposed site for the Office, the address of the Office will be inserted on Attachment 2 to this Agreement.

You hereby acknowledge and agree that our approval of the Site does not constitute an expressed or implied assurance, representation or warranty of any kind as to the suitability of the site for an ATC Healthcare Services business or for any other purpose. Our approval of the Site indicates only that we believe the Site complies with acceptable minimum criteria established by us solely for our purposes as of the time of evaluation. We shall not be responsible for the failure of the Site to meet your expectations as to revenue, operational performance or other measures. You further acknowledge and agree that your acceptance of a Franchise for the operation of the Office at the Site is based on your own independent investigation of the suitability of the Site.

Before you may execute a lease for the Site, you must submit the lease to us for our review and approval. Our approval will not be unreasonably withheld. At our request, you and your landlord must sign our form of Collateral Assignment of Lease, attached to this Agreement as Attachment 7.

2.2 Operating Assets

You agree to use in developing and operating the Office only those items that we approve in writing from time to time for ATC Healthcare Services businesses as meeting our specifications and standards for quality, design, appearance, function and performance ("Operating Assets"). A list of Operating Assets is included in the Brand Standards Manual and is subject to change from time to time. You agree to place or display at the Site (interior and exterior) only the signs, emblems, lettering, logos and display materials that we approve in writing from time to time. If we require, you must purchase or lease only approved brands, types and/or models of Operating Assets and/or purchase or lease them only from suppliers we designate or approve from time to time (which may include or be limited to us and/or our affiliates). If you desire to use any Operating Asset that we have not yet evaluated, you may submit such Operating Asset for our consideration by following the procedure set forth in Section 8.3.

2.3 Computer System

You agree to use in operating the Office the computer equipment and software, including electronic medical records software (collectively, the "Computer System"), that we specify from time to time. We may periodically modify specifications for and components of the Computer System. Our modification of specifications for the Computer System and/or other technological developments or events may require you to purchase, lease and/or license new or modified, equipment, computer hardware and/or software and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System, you agree to incur the costs of obtaining the equipment or the computer hardware and software comprising the Computer System (or additions or modifications) and required service or support. We have no obligation to reimburse you for any Computer System costs. Within sixty (60) days after you receive notice from us, you agree to obtain the components of the Computer System that we designate and to ensure that your Computer System, as modified, is functioning properly.

You must purchase or lease the computer system hardware and software that we require. You must also contract with any existing hardware or software vendors to convert your existing systems and or data to a format required for our systems. Conversion franchisees may not incur this expense if we determine that their existing computer systems meet our requirements.

Notwithstanding the fact that you must buy, use and maintain the Computer System under our standards and specifications, you will have sole and complete responsibility (including, without limitation, responsibility for the cost thereof) for: (a) the acquisition, operation, maintenance and upgrading of the Computer System; (b) the manner in which your Computer System interfaces with our computer system and those of other third parties; and (c) any and all consequences that may arise if the system is not properly operated, maintained and upgraded. You agree to maintain, at all times during the term of this Agreement, a highspeed internet connection for your Computer System.

We will designate certain software that you must use in connection with your Computer System. We currently provide our franchisees with staffing software that will allow you to schedule, track employees, clients and orders. We use this software to generate billing for your clients and payroll for the temporary healthcare employees you place with clients. You must also purchase office productivity and accounting software as we require. The testing software for testing new temporary employee candidates is provided via an on-line service.

In the event we provide technical support to you for your Computer System or the software required hereunder, we reserve the right to charge a fee for providing such support. We reserve the right to modify our requirements at any time.

2.4 Opening

You agree not to open the Office for business until:

2.4.1 all persons that we require satisfactorily complete pre-opening training;

2.4.2 the initial franchise fee and all other amounts then due to us have been paid;

2.4.3 you give us certificates for all required insurance policies or other evidence of insurance coverage and premium payment that we request;

2.4.4 you complete all required imporvements to the Office and furnished the Office as required by us; and

2.4.5 you provide us with copies of all licenses, permits and certifications required for the Office's proper operation.

You agree to comply with these conditions and open the Office for within ninety (90) days of executing this Agreement. Time is of the essence. If you fail to open your Office within ninety (90) days of the execution of this Agreement, except for delay caused by circumstances outside of your control, we have the right to (i) charge you a late opening fee of One Thousand Fifteen Hundred and no/100 dollars ($1,500) or (ii) terminate this Agreement without providing you with a refund of any monies you have paid to us, unless we agree to provide you with an extension of the timeframe to open. If your Office shall be operated remotely, the same timeframe for opening your Office shall apply.

2.5 Multiple Unit Discount Package

We reserve the right, in our sole discretion, to permit you to establish virtual satellite Offices within the area in which each additional Office shall be located. A virtual satellite Office is an ATC Healthcare Services Office that does not have a "brick and mortar" office location and is only available under the multi-unit program. If you wish to establish a virtual satellite Office, you must request our consent in writing. Our consent will not be unreasonably withheld and will be determined on a case-by-case basis. If we permit another franchisee in the System to establish a virtual satellite Office, nothing in this Agreement will require us to grant you a similar right.

ARTICLE 3
FEES

3.1 Initial Franchise Fee

You agree to pay us in a lump sum, upon execution of this Agreement, a nonrecurring and non-refundable initial franchise fee as set forth below. The initial franchise fee is fully earned by us when received.

☐ This Franchise Agreement is for the purchase of one (1) Office, and the initial franchise fee payable hereunder is Fifty Thousand Dollars ($50,000).

☐ This Franchise Agreement is for the purchase of at least two Offices under our multiple unit discount package, and the initial franchise fee payable hereunder is not less than Eighty-Seven Thousand Five Hundred and no/100 dollars ($87,500) for those two Offices ($50,000 for the first office and $37,500 for all subsequent offices). We reserve the right to (a) require you to execute a separate Franchise Agreement for each Office to be established hereunder, provided, however, that no initial franchise fee shall be payable for each additional Office after the first (outside of the fee payable above), or (b) execute updated forms of Attachment 2 hereto reflecting the location and Territory of the additional Offices being purchased hereunder. You understand and acknowledge that, if we do not require you to execute separate Franchise Agreements, all provisions, duties and obligations set forth in this Agreement shall apply to all Offices designated on Attachment 2 hereto.

3.2 Royalty Fee

You agree to pay us a royalty fee ("Royalty Fee") each month throughout the term of this Agreement for your provision of the Services to clients, including Temporary Clients, during the previous

month. The Royalty Fee payable will be as follows:

a) forty-five percent (45%) of gross margin for revenue generated by temporary employee placements; and

b) forty-five percent (45%) of gross margin for revenue generated by temp-to-perm placements; and

c) fifteen percent (15%) of gross margin for revenue generated by permanent employee placements.

For purposes of determining the Royalty Fee you will pay in any particular month, we will first calculate your gross margin. Gross margin is determined by subtracting Direct Costs (defined below) from your total revenue for that month.

Direct costs include salaries and bonuses for the employees you place and associated taxes, fringe benefits, and insurance; housing expenses and allowances for placed employees, if applicable; sales and similar taxes; expenses related to the Daily Pay Program, if you participate in such program; your portion of any delinquent invoices related to your Office (including, without limitation, those Accounts Receivable that are more than 90 days past due, as described in the Brand Standards Manual); and any documented credits, rebates, allowances or discounts granted to the client, as further described in Section 3.9 below ("Direct Costs"). We refer to the balance that is paid to you as your "Distributed Balance". We further reserve the right to deduct from your Distributed Balance any amount we have incurred or paid on your behalf, such as for drug testing kits, access to employment databases, and other similar items. With respect to delinquent accounts, you will pay us (a) 55% of the sale amount in the delinquent invoice, if you have complied with our Brand Standards (with you receiving 45% of said sale amount or collection); or (b) 100% of the delinquent invoice, if you have not complied with our Brand Standards.

All billing and receipts for your Office will be processed by us. Within sixty (60) days after the end of each month, we will provide you with a report of the total revenue from your Office, itemizing the Royalty Fee paid to us and Direct Cost adjustments. We will deduct the Royalty Fee, Brand Development Fee (if applicable) and Direct Costs payable to us and pay the Distributed Balance to you. If our calculation shows that the amount of revenue paid by clients is less than the Royalty Fee, Brand Development Fee (if applicable) and total Direct Costs, then you agree to pay to us any amount owed. We may make payments to you by electronic funds transfer. We may make collections from you for amounts you owe to us by reducing the Distributed Balance or by your direct payment to us (by electronic funds transfer pursuant to the form attached hereto as Attachment 8 or by check). You understand and acknowledge that we will pay the Distributed Balance to you although we may not have received payment from your clients; provided, however, that we will establish a reserve program, as described below.

We will establish a reserve program ("Accounts Receivable Reserve Program") which may be detailed and modified by us from time to time and to include the reserves established under such program. Under the Accounts Receivable Reserve Program, a reserve will be established with respect to accounts receivable over ninety (90) days old. A portion of the distributed balance due to you will be retained by us to maintain this reserve in an amount equal to your revenue split. Unapplied credits for specific clients will be fully deducted from delinquent accounts receivable when the calculation is made. You agree to execute and deliver any documents we require evidencing our absolute ownership of accounts receivable for your Office. In the event that we collect the past due Accounts Receivable, you will receive the same Gross Margin as disclosed in this Franchise Agreement.

You understand and acknowledge that you are required to pay a minimum quarterly Royalty Fee each quarter during the term of this Agreement. For purposes of determining the minimum quarterly Royalty Fee you must pay, Quarter 1 begins on the opening date of your Office. The minimum quarterly Royalty Fee shall be as follows:

ATC Healthcare Staffing: Proposed 2026 Annual Performance Requirements ATC Net Royalty Minimums					
Year	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**Total Year**
1	$0	$0	$6,000	$6,000	$12,000
2	$25,000	$25,000	$25,000	$25,000	$100,000
3	$37,500	$37,500	$37,500	$37,500	$150,000
4	$50,000	$50,000	$50,000	$50,000	$200,000
5	$52,500	$52,500	$52,500	$52,500	$210,000
6	$55,125	$55,125	$55,125	$55,125	$220,500
7	$57,881	$57,881	$57,881	$57,881	$231,524
8	$60,775	$60,775	$60,775	$60,775	$243,100
9	$63,814	$63,814	$63,814	$63,814	$255,256
10	$67,004	$67,004	$67,004	$67,004	$268,016

Within sixty (60) days after the end of each quarter of this Agreement, we will advise you whether you have paid the minimum quarterly Royalty Fee for the previous quarter. If you did not, we will advise you of the balance of the minimum quarterly Royalty Fee that is payable to us and the date this payment will be deducted from the Distributed Balance. If the Distributed Balance is insufficient to pay the balance of the minimum quarterly Royalty Fee that is due, then you agree to pay such balance to us within ten (10) days after our notice to you.

3.3 Brand Development Fee

You understand and acknowledge that we have the right, but not the obligation, to establish a Brand Development Fund (as described in Section 9.3 below) to produce and place advertising for the benefit of all ATC Healthcare Services businesses in the System (the "Fund"). If we elect to establish such Fund, you agree to pay to the Fund, upon sixty (60) days' notice from us that the Fund has been established, a non-refundable contribution ("Brand Development Fee"). Our notice to you that we will begin collecting the Brand Development Fee will include the amount of such fee; provided, however, that in no event will the Brand Development Fee exceed one percent (1%) of your Office's total revenue. The Brand Development Fee, if collected, shall be payable each month at the same time and in the same manner as the Royalty Fee provided for in Section 3.2 hereof.

3.4 Delinquent Accounts

You acknowledge and agree that you shall comply with our Policies and Guidelines for Credit Approval, Delinquent Accounts and Collections, as it may be amended from time to time by us, which is included in our Brand Standards Manual. Pursuant to such guidelines, and provided that you have been in compliance with such Guidelines, you shall pay to us 55% of any delinquent invoice. If you have not operated in compliance with these Guidelines, you agree to pay us the full amount of any delinquent invoice. We reserve the right to deduct any amounts due to us hereunder from the Distributed Balance payable to you.

3.5 Electronic Funds Transfer

At our request, you must sign and deliver to us the documents we, our bank or your bank require to authorize us to credit your business operating account automatically for the Distributed Balance, or to debit from your account any monies owed to us, pursuant to this Agreement or any related agreement between us (or our affiliates) and you.

3.6 Application of Payments and Right of Set-Off

Payments owed to us will be deducted from your total revenue in the following order: Royalty Fee, Brand Development Fee (if collected), national or regional account fees (as described in Section 1.5 above), management fee (as described in Section 8.8 below), and Direct Costs.

Notwithstanding any designation by you, we may apply any of your payments to any of your past due indebtedness to us (or our affiliates). We may set-off any amounts you owe us or our affiliates against any amounts we or our affiliates might owe you. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement or any other agreement between us (and/or our affiliates) and you.

3.7 Interest on Overdue Amounts

In the event you fail to pay to us any amounts owed by you hereunder to us or any of our affiliates, you shall pay, in addition to such overdue amounts, interest on the overdue amount at the rate of one and one-half percent (1.5%) per month or the highest legal contract interest rate we can charge, whichever amount is less. Any default by you in the timely payment of any indebtedness of you owing to us, or to any affiliate of ours, or your default in the payment of any indebtedness of yours with respect to which we or any of our affiliates is a guarantor, co-signer, endorser or obligor, shall constitute a breach of this Agreement, rendering the same subject to termination in accordance with the provisions of Article 14.

3.8 Accounts Receivable

You understand and acknowledge that all accounts receivable related to your Office shall be our property, and you agree to execute any documentation we may require in order to confirm our ownership of such accounts receivable and/or to pursue any claims for unpaid accounts receivables.

3.9 Direct Costs

As used in this Agreement, "Direct Costs" include the costs we will deduct from your revenue for costs directly related to your Office's operations, including, without limitation:

3.9.1 the wages of the temporary employees whose services were sold by your Office and billed for by us, including base compensation and all sign-on and other bonuses;

3.9.2 Social Security (FICA), Federal Unemployment (FUTA), State Disability (where applicable), and all other Federal, State and local taxes measured by or based upon the temporary employee's earned wages;

3.9.3 health insurance (and/or penalties), as required under prevailing regulations, expenses related to background checks (including checks for proper credentials or criminal activities) and drug screening, insurance costs measured by or based upon the temporary employee's earned wages, such as workers' compensation, disability insurance, unemployment insurance, and similar insurance, as required

by law. You understand and acknowledge that we have the right, in our sole discretion, to purchase such insurance. You further acknowledge that we have the right to allocate costs for such insurance based on a number of factors, including, but not limited to, payroll, sales, risk factors and experience;

3.9.4 discretionary insurances such as healthcare and dental insurance in which the temporary employee may participate. You understand and acknowledge that we have the right, in our sole discretion, to purchase such discretionary insurance, and to cancel any discretionary insurance at any time. You further acknowledge that we have the right to allocate costs for such discretionary insurance based on a number of factors, including, but not limited to, payroll, sales and risk factors;

3.9.5 housing expense, daily allowance, and travel expense incurred by the temporary employee;

3.9.6 the amount of all sales taxes or similar taxes which, by law, are chargeable to customers (but only to the extent they have been included);

3.9.7 the amount of any authorized and documented credits, sales allowances, discounts and/or rebates given to customers; and any reserve established under the Accounts Receivable Reserve Program;

3.9.8 expenses related to the Daily Pay Program, if you participate in such program;

3.9.9 your portion of any delinquent invoices related to your Office; and

3.9.10 Vendor Management System (VMS) fees charged by providers.

3.10 Document Execution Software Fee

You must pay an annual fee to us for use of our document execution software account in the onboarding of employees and for use in signing contracts and agreements with caregivers, vendors, etc. The fee, currently $2.10 to $5.50 per envelope sent, is subject to change based on service changes and as mandated by the software vendor.

ARTICLE 4
TRAINING AND ASSISTANCE

4.1 Training

Before the Office opens, we will train you and one (1) manager manager (and any other employees or owners we require or you request and are approved by us to attend) on the operation of an ATC Healthcare Services business at no additional charge. Our initial training program, except for the portion of the initial training that will be provided on site at your Office, must be completed to our satisfaction not later than thirty (30) days before your Office opens. If you request that we provide our training program to additional trainees, we will not charge you for training additional people, but it is subject to availability.

We will provide approximately four (4) days of training at our designated training site (which may include our headquarters, an operating ATC Healthcare Services business and/or another location or may be completed remotely in our discretion). Initial training will be held at such time and location and for such duration as we designate. You and your manager must complete the initial training to our satisfaction and participate in all other activities we require before opening the Office. We provide this training at no additional fee; however, you must pay all expenses which you and your trainees incur in connection with

such training, including, but not limited to, travel, lodging, meals and applicable wages. If you or your manager do not complete our training to our satisfaction, you and/or you manager may re-take our training program. If you or your manager do not complete our training to our satisfaction a second time, we have the right to terminate this Agreement. We may require you to replace any manager if we determine that he or she is not qualified to hold that position.

If your General Manager ceases to be employed by you for any reason, you will be required to hire a successor General Manager within thirty (30) days of such cessation of employment. Each General Manager and successor General Manager must attend and complete our training program prior to acting as the general manager at your Office unless otherwise approved by us.

Additionally, there are training portals in place where each of your Office's staff members must complete certain portal training based on their specific job responsibilities prior to their gaining access to the various systems used in the administration of your Office. You are responsible for providing a training program for all of your empoloyees that do not attend our training program.

We reserve the right to hold periodic refresher training programs via conference calls, webinars and similar other methods, and we may designate that attendance at or participation in these programs is mandatory for you and/or any of your personnel. We do not charge a training fee, but you must pay for all expenses your trainees incur while attending refresher training, if applicable, including travel, lodging, meals and wages.

4.2 Ongoing Guidance; Additional Training

We will advise you regarding the Office's operation based on your reports or our inspections. We also will guide you on standards, specifications, and operating procedures and methods that ATC Healthcare Services businesses use; purchasing required Operating Assets and inventory; advertising and marketing programs; employee training, administrative, bookkeeping, and accounting procedures, as well as developing your Office, including reviewing contracts, seeking national accounts, and providing staffing leads. We will guide you in our Brand Standards Manual, bulletins, or other written materials, emails, during telephone consultations, and/or during consultations at our headquarters or at your Office.

In the event you request that we provide additional training or assistance on-site at your Office, or if we determine that you require additional training, you shall pay our then-current per diem rate for such training and you shall reimburse our representative's expenses in connection with such training or assistance, including, but not limited to, travel, lodging and meals.

4.3 Brand Standards Manual

We will loan to you, to use in operating the Office during this Agreement's term, access to a virtual copy of the Brand Standards Manual. The Brand Standards Manual contains mandatory and suggested specifications, standards, operating procedures and rules that we periodically prescribe for operating an ATC Healthcare Services business ("Brand Standards") and information on your other obligations under this Agreement. We may modify the Brand Standards Manual periodically to reflect changes in Brand Standards, but these modifications shall not alter your fundamental rights or status under this Agreement. You agree to keep your copy of the Brand Standards Manual current and in a secure location at the Office. If there is a dispute over the contents of the Brand Standards Manual, the terms of the copy of the latest version as identified by us shall be controlling. You agree that the contents of the Brand Standards Manual are confidential and that you will not disclose the Brand Standards Manual to any person other than Office employees and/or independent contractors who need to know its contents. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Brand Standards Manual.

4.4 Delegation of Performance

You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations.

4.5 Franchisee Meetings

We have the right to hold various meetings of our franchisees and/or an annual convention. We may designate that attendance at a franchisee meetings and/or an annual convention by you and/or certain of your personnel is mandatory unless your absence is excused by us. If we designate a franchisee meeting and/or annual convention as mandatory, you will pay the fee for such meeting or convention regardless of whether you attend or not. We will not hold a franchisee convention unless we believe it will be beneficial to our franchisees. We may conduct franchisee meetings and/or an annual convenion to discuss new procedures or protocols, marketing strategies, new services and/or to provide training. We may designate the location of the meeting (including a block of hotel rooms set aside for our franchisees). We may also conduct these meetings by webinar or video recording. We will not designate an unreasonably expensive location. In addition to any fee charged, you must pay for all expenses your trainees incur while attending a franchisee meeting, including travel, lodging, meals and wages.

4.6 Temporary Employee Wages and Benefits

We shall be responsible for all wages, bonuses and benefits payable to the temporary employees you place with clients on a weekly basis. We shall also be responsible to pay all related payroll and other taxes as required under the prevailing regulations. Such wages, bonuses, benefits and taxes are included in the direct costs that are deducted from your revenue, as described in Section 3.2. We shall not, under any circumstances, be responsible to pay any portion of wages, bonuses, benefits or applicable taxes for your Office's staff.

ARTICLE 5
MARKS

5.1 Ownership and Goodwill of Marks

You acknowledge that we are the sole owner of the right, title and interest in and to the Marks. You agree that your right to use the Marks is derived only from this Agreement and is limited to your operating the Office according to this Agreement and all Brand Standards we prescribe during its term. Your unauthorized use of the Marks is a breach of this Agreement and infringes our rights in the Marks. You acknowledge and agree that your use of the Marks and any goodwill established by that use are for our exclusive benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Office under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional and substitute trademarks and service marks we authorize you to use.

5.2 Limitations on Your Use of Marks

You agree to use the Marks as the sole trade identification of the Office, provided that you shall identify yourself as the independent owner of the Office in a manner acceptable to us. You may not use any Mark or any variation thereof (a) as part of any corporate or legal business name, (b) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we have licensed to you), (c) in selling any unauthorized services or products, (d) as part of any domain name, electronic address or

search engine you maintain on any "Website" (defined in Article 9 hereof); or (e) in any other manner we have not expressly authorized in writing. You may not use any Mark in advertising the transfer, sale or other disposition of the Operating Assets or the Office without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at the Office and on forms, advertising and other materials we designate. You agree to give the notices of trademark and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

5.3 Notification of Infringements and Claims

You agree to notify us immediately of any apparent infringement of or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us and our attorneys, and your attorneys, regarding any infringement, challenge or claim. We may take the action we deem appropriate (including no action) and may control exclusively any settlement, litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding arising from any infringement, challenge or claim or otherwise concerning any Mark. You agree to sign any documents and take any actions that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise to protect and maintain our interests in the Marks.

5.4 Discontinuance of Use of Marks

If we believe at any time that it is advisable for us and/or you to modify or discontinue using any Mark and/or use one (1) or more additional or substitute trademarks or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your expenses in complying with these directions (such as costs you incur in changing the Office's signs or replacing supplies), for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

5.5 Indemnification for Use of Marks

We agree to reimburse you for all damages and expenses you incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement, provided that you have timely notified us of the proceeding, are in compliance with this Agreement, and comply with our directions in responding to the proceeding. At our option, we may defend and control the defense of any proceeding relating to any Mark. If any action taken by us with respect to any such claim or proceeding results in any monetary recovery for you which exceeds your costs, then the amount of such recovery which exceeds your costs will first be used to reimburse us for our expenses in connection with such action, and any remainder will be distributed to you.

ARTICLE 6
CONFIDENTIAL AND GENERAL INFORMATION

6.1 Confidential Information

We and our affiliates possess (and will continue to develop and acquire) certain confidential information relating to the development and operation of ATC Healthcare Services businesses (the "Confidential Information"), which includes (without limitation):

6.1.1 methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience used in developing and operating ATC Healthcare

Services businesses (including, without limitation, the Brand Standards and any training or operations materials);

6.1.2 market research and promotional, marketing and advertising programs for ATC Healthcare Services businesses;

6.1.3 knowledge of specifications for and suppliers of, and methods of ordering certain Operating Assets, materials, equipment and fixtures that ATC Healthcare Services businesses use;

6.1.4 knowledge of the operating results and financial performance of ATC Healthcare Services businesses other than your Office;

6.1.5 client communication programs, along with data used or generated in connection with those programs;

6.1.6 the Brand Standards Manual;

6.1.7 graphic designs and related intellectual property; and

6.1.8 the Client List (as described in Section 6.3 below).

6.2 Restriction on Use of Confidential Information

You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to use certain Confidential Information in operating the Office during this Agreement's term and according to this Agreement's terms and conditions, and that your use of any Confidential Information in any other business would constitute an unfair method of competition with us and our franchisees and may violate certain laws. You further acknowledge and agree that the Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you, your Principals, employees and/or independent contractors who have access to it agree, and they do agree, that you, your Principals and such employees and/or independent contractors:

6.2.1 will not use any Confidential Information in any other business or capacity;

6.2.2 will keep the Confidential Information absolutely confidential during and after this Agreement's term;

6.2.3 will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; and

6.2.4 will adopt and implement all reasonable procedures that we periodically prescribe to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restricting its disclosure to Office personnel and others needing to know such Confidential Information to operate the Office, and requiring all employees and independent contractors having access to Confidential Information to sign confidentiality and non-competition agreements in a form acceptable to us. We have the right to regulate the form of confidentiality and non-competition agreement that you use and to be a third-party beneficiary of that agreement with independent enforcement rights.

All ideas, concepts, techniques or materials relating to an ATC Healthcare Services business, whether or not protectable intellectual property and whether created by or for you or your employees and independent contractors, must be promptly disclosed to us and will be deemed to be our sole and exclusive

property, part of the System, and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, by this paragraph you assign ownership of that item, and all related rights to that item, to us and agree to sign whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the item.

"Confidential Information" does not include information, knowledge or know-how which you knew from previous business experience before we provided it to you (directly or indirectly) or before you began training or operating the Office. If we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that the exclusion in this paragraph is fulfilled.

6.3 Client List

You agree that the list of the names, addresses and other information regarding your current clients, former clients, and those who have inquired about the Services (the "Client List") shall be included in the Confidential Information, shall be our property and shall constitute a trade secret of ours. You agree that you may not disclose the Client List, or any portion thereof, to any person other than us, either during the term of this Agreement or thereafter. You further agree that a breach of this Section shall be grounds for immediate termination of this Agreement pursuant to Section 14.2.

ARTICLE 7
EXCLUSIVE RELATIONSHIP

You and your Principals acknowledge that we have granted you the Franchise in consideration of and reliance upon your agreement to deal exclusively with us. You and your Principals therefore agree that, during this Agreement's term, neither you, nor any Principal, nor any member of your Principal(s)' immediate family will:

(a) have any direct or indirect, controlling or non-controlling interest as an owner (whether of record, beneficial or otherwise) in a Competitive Office (defined below), wherever located or operating;

(b) perform services as a director, officer, manager, employee, consultant, representative or agent, or in any other capacity, for a Competitive Office, wherever located or operating;

(c) divert or attempt to divert any actual or potential business or client of the Office to a Competitive Office; or

(d) divert or attempt to divert any actual or potential business or client of any other ATC Healthcare Services business operating in the System to your Office.

The term "Competitive Office" means any business that provides or arranges for medical personnel placement services on a temporary or permanent basis, or any business which grants franchises or licenses to others to operate such a business, other than an ATC Healthcare Services business operated under a franchise agreement with us. You and your Principals also agree that they will not, during the term of this Agreement, operate or otherwise become affiliated with any Website involving, referring to, or in any way related to a Competitive Office.

Notwithstanding the foregoing, you and your Principals further agree that you and your Principals shall restrict your activities to the operation of the Office franchised hereunder and shall participate in the day-to-day operation of your Office. Neither you nor any of your Principals nor any of your administrative employees shall be employed by your Office to provide Services to clients without our prior written consent.

Spousal Guaranty. If any Principal is a married individual and the Principal's spouse has not executed this Agreement, such Principal shall cause his or her spouse to personally execute and bind himself or herself to the terms of a Guaranty, in the form attached as Attachment 4.

ARTICLE 8
BUSINESS OPERATION AND BRAND STANDARDS

8.1 Condition and Appearance of the Office

You agree that you will not use the Office or any part of the Site for any business purpose other than operating an ATC Healthcare Services business in compliance with this Agreement, and that you will place or display at the Site (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos and display and advertising materials that we approve from time to time. You further agree to maintain the condition and appearance of the Office, its Operating Assets and the Site (including any parking area) in accordance with the Brand Standards and consistent with the image of an ATC Healthcare Services business as an efficiently operated business offering high quality products and services and observing the highest standards of cleanliness and efficient, courteous service. Therefore, you agree to take, without limitation, the following actions during this Agreement's term at your expense: (a) thorough cleaning, repainting and redecorating of the interior and exterior of the Site at intervals that we may prescribe; (b) interior and exterior repair of the Site as needed; and (c) repair or replacement, at our direction, of damaged, worn-out or obsolete Operating Assets at intervals that we may prescribe (or, if we do not prescribe an interval for replacing any Operating Asset, as that Operating Asset needs to be repaired or replaced).

8.2 Products and Services the Office Offers

You agree that you (a) will offer and sell from the Office only the products and services that we periodically specify; (b) will not offer or sell at the Office, the Site or any other location any products or services we have not authorized; and (c) will discontinue selling and offering for sale any products or services that we at any time disapprove.

You shall assume all responsibility and expense for recruiting, evaluating and training temporary employee and permanent placement candidates, for diligently marketing and selling the Services, and for otherwise operating the Office according to our Brand Standards, as we may modify them from time to time. You understand that in recruiting and evaluating candidates, you shall conduct advertising (including job board postings), interviews according to Brand Standards and the client's requirements and specifications at your cost. You shall also verify eligibility for per diem housing and expense reimbursement, verify I-9 status, and arrange for orientation at the client's facility.

8.3 Approved Products, Services, and Suppliers

We reserve the right to periodically designate and approve standards, specifications, suppliers and/or distributors of the Operating Assets and the products and services that we periodically authorize for use in the Office. During this Agreement's term you must purchase or lease all Operating Assets and other products and services for the Office only according to our standards and specifications and, if we require, only from suppliers or distributors that we designate or approve (which may include or be limited to us and/or our affiliates). You acknowledge and agree that we and/or our affiliates may derive revenue based on your purchases and leases (including, without limitation, from charging you for products and services we or our affiliates provide to you and from payments made to us by suppliers that we designate or approve for some or all of our franchisees).

Upon our request, or if you want to use any Operating Assets or products that we have not yet evaluated or want to purchase any item from a supplier or distributor that we have not yet approved (for items that we require you to purchase from designated or approved suppliers or distributors), you first must submit sufficient information, specifications and samples for us to determine whether the item complies with our standards and specifications or the supplier or distributor meets our criteria, together with payment of our then-current evaluation fee. We may condition our approval of a supplier or distributor on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, client relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) or other criteria. We have the right to inspect the proposed supplier's or distributor's facilities and to require the proposed supplier or distributor to deliver product samples or items, at our option, either directly to us or to any independent, certified laboratory which we designate for testing. We reserve the right periodically to re-inspect the facilities and products of any approved supplier or distributor and to revoke our approval if the supplier or distributor does not continue to meet our criteria.

8.4 Compliance with Laws and Good Business Practices

You must secure and maintain in force and in good standing throughout this Agreement's term all required licenses and permits relating to the provision of the Services and the operation of the Office and operate the Office in full compliance with all applicable laws, ordinances and regulations. You must comply with any federal, state and local laws pertaining to labor and employment, including those laws pertaining to wages and work hours, in the vetting and hiring of the candidates you will provide to the healthcare facilities in your Territory. You must also comply with all state and federal labor laws and regulations for your administrative staff. Your failure to comply with any such laws shall be a material default of this Agreement.

The Office must in all dealings with its clients, suppliers, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which might injure our business or the goodwill associated with the Marks or other ATC Healthcare Services businesses. You further agree that we may exercise our right to immediately terminate this Agreement if: (a) you commit or are alleged to have committed any criminal act or other act involving moral turpitude, drugs, or felonious activities; (b) you commit any act or becomes involved in any situation or occurrence which brings you into public disrepute, contempt, scandal, or ridicule, or which shocks or offends the community or any group or class thereof, or which reflects unfavorably upon us or reduces the commercial value of our association with you; (c) information becomes public about how your past conduct reflects behavior described in (a) or (b) above, (d) you become involved or associated with an event or circumstance caused by your immediate family members or others closely associated with you (other than us) which reflects unfavorably upon us or reduces the commercial value of our association with you, (e) you use, or tolerate the use of, vulgar or offensive language towards others, including, but not limited to, clients, corporate employees, other franchisees, or any party associated with the Office or the Territory, or (f) you take any action (other than legal action or arbitration arising out of this Agreement) or make or authorize statements deemed by us to be in derogation of us or our products and such actions or statements become public during the Term. Any of the acts described above will be deemed a material breach of this Agreement.

Any client contract, license, city or state license, provider number, or certification under which the Office operates pursuant to this Agreement shall belong to us. You agree to take such steps as are reasonably necessary to assign any such licenses to us, upon our request.

You must notify us in writing within three (3) business days of: (a) the commencement of any action, suit or proceeding relating to the Office; (b) the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality relating to the Office (including, without

limitation, the revocation or threatened revocation of any license or permit applicable to the Office); (c) any notice of violation from a governing authority of any law, ordinance or regulation relating to the Office; and (d) receipt of any notice of complaint from the Better Business Bureau, any local, state or federal consumer affairs department or division, or any other government or independent third party involving a complaint from a client or potential client relating to the Office. You must immediately provide to us copies of any documentation you receive of events in (a) through (d) above. If we believe you are not adequately responding to or handling any event listed in (a) through (d), we reserve the right to require you to resolve the matter in a prompt and reasonable manner in accordance with good business practices; we may require you to participate in consultation, issue resolution and/or retraining to address such matters, and we may charge you for such ongoing guidance in accordance with Section 4.2 herein.

You understand and acknowledge that the provisions of a client's contract may require you to participate in accreditation programs, at your expense. If required, you shall take all steps necessary to obtain such accreditation, and we shall provide advice and guidance in preparing for such accreditation. We recommend, but do not currently require, you to achieve accreditation and certification from The Joint Commission. All fees associated with such accreditation and certification shall be at your expense.

You and your Principals agree to comply, and to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your Principals certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your Principals otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your Principals, or any blocking of your or your Principals' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement, as provided in Section 14.

8.5 Insurance

You shall procure, at your sole expense, and maintain in full force and effect during the term of this Agreement, an insurance policy or policies protecting you, us, our respective officers, directors, partners and employees against any loss, liability, personal injury, death or property damage or expense whatsoever arising or occurring upon or in connection with your Office, as we may reasonably require for our own and your protection. We shall be named an additional insured in such policy or policies.

Such policy or policies shall be written by our designated supplier WorldWide Specialty Programs, Inc. Your policy shall include, at a minimum (except as different coverages and policy limits may reasonably be specified for all franchisees from time to time by us in the Brand Standards Manual or otherwise in writing), the following:

8.5.1 workers' compensation, employer's liability and unemployment insurance for your staff according to state requirements;

8.5.2 broad form general liability insurance of at least One Million Dollars ($1,000,000) per occurrence;

8.5.3 employers' non-owned and hired automobile insurance covering your employees, plus automobile insurance covering your own vehicle according to our then-current requirements;

8.5.4 temporary help services errors and omissions insurance with limits of at least One Million Dollars ($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate;

8.5.5 permanent employment agency errors and omissions insurance with limits of One Million Dollars ($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate;

8.5.6 state disability insurance for your staff employees according to state requirements;

8.5.7 fidelity bonding against losses from dishonest acts by your employees in the amount of One Hundred Thousand Dollars ($100,000) with a maximum deductible of Five Thousand Dollars ($5,000). This bond shall also extend to cover any loss to us;

8.5.8 all-risk property damage insurance in an amount to cover the full replacement cost of all equipment loaned to you by us, including a loss payee clause in our favor;

8.5.9 a separate fidelity bond related to your participation in our Daily Pay Program;

8.5.10 Employment Practice Liability insurance (EPLI) of at least One Million Dollars ($1,000,000) with a maximum deductible of Ten Thousand Dollars ($10,000);

8.5.11 Cyber Liability Insurance, including coverage for data breaches, privacy violations, network security failures, ransomware, and business interruption, in the amount and form that we require from time to time; and

8.5.12 any other insurance required by the state or local municipality where the Office is located (which may include the requirement that you obtain professional liability insurance), or as may be required by the lease for your Office.

The amounts required herein may be modified from time to time by us to reflect inflation or future experience with claims. The insurance afforded by the policy or policies respecting liability shall not be limited in any way by reason of any insurance which may be maintained by us. Within sixty (60) days of the signing of this Agreement, but in no event later than thirty (30) days prior to commencement of operations of the Office, a Certificate of Insurance showing compliance with the foregoing requirements shall be furnished by you to us for approval. Such certificate shall state that said policy or policies shall not be canceled or altered without at least thirty (30) days' prior written notice to us and shall reflect proof of payment of premiums. Maintenance of such insurance and the performance by you of the obligations under this Section 8 shall not relieve you of liability under the indemnity provision set forth in this Agreement. Minimum limits as required above may be modified from time to time, as conditions require, by written notice to you.

You must maintain all required policies in force during the entire term of the Franchise Agreement and any renewal terms. We may periodically increase or decrease the amounts of coverage required under these insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Each insurance policy must name us (and, if we request, our affiliates and our respective directors, employees or shareholders) as additional insured and must provide us with thirty (30) days' advance written notice of any material modification, cancellation or expiration of the policy.

Should you, for any reason, not procure and maintain such insurance coverage as required by this Agreement, we shall have the right and authority (without, however, any obligation to do so) to immediately

procure such insurance coverage and to charge same to you, which charges, together with a reasonable fee for expenses incurred by us in connection with such procurement, shall be payable by you immediately upon notice or, in our discretion, we may deduct such amounts from any Distributed Balance payable to you, as described in Section 3.2.

8.6 Compliance with Brand Standards

You acknowledge and agree that operating and maintaining the Office according to Brand Standards is essential to preserve the goodwill of the Marks and the goodwill of all ATC Healthcare Services businesses. Therefore, you agree at all times to operate and maintain the Office according to each and every System Standard, as we periodically modify and supplement them. Brand Standards may regulate any aspect of the Office's operation and maintenance, including but not limited to any one (1) or more of the following:

8.6.1 sales, marketing, advertising and promotional programs and materials and media used in these programs;

8.6.2 staffing levels for the Office and employee and/or independent contractor's qualifications, training, dress and appearance (although you have sole responsibility and authority concerning staff selection and promotion, hours worked, rates of pay and other benefits, work assigned and working conditions);

8.6.3 use and display of the Marks;

8.6.4 days and hours of operation;

8.6.5 participation in market research and testing and product and service development programs;

8.6.6 bookkeeping, accounting, data processing and record keeping systems and forms; formats, content and frequency of reports to us of sales, revenue, and financial performance and condition; and giving us copies of tax returns and other operating and financial information concerning the Franchise (we will use reasonable efforts to keep such records confidential);

8.6.7 types, amounts, terms and conditions of insurance coverage required for the Office, including criteria for your insurance carriers; and

8.6.8 any other aspects of operating and maintaining the Office that we determine to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and ATC Healthcare Services businesses.

You agree that Brand Standards we prescribe in the Brand Standards Manual, or otherwise communicate to you in writing or another form, are part of this Agreement as if fully set forth within its text. All references to this Agreement include all Brand Standards as periodically modified. Subject to your rights under Section 8.1 relating to alterations to the Office's appearance, layout and/or design and/or replacement of a material portion of your Operating Assets, you acknowledge that our periodic modification of the Brand Standards (including, without limitation, changes to the hardware and software required for the Computer System) may obligate you to invest additional capital in the Office and/or incur higher operating costs.

All care and Services provided to an ATC Healthcare Services client must be performed by a qualified healthcare professional. Qualifications are based on our credentialing and on-boarding requirements, as prescribed in the Brand Standards Manual, including but not limited to compliance with all laws, client credentialing, criminal background checks, drug screening, driving records checks, satisfactory supervisory references, completion of an I-9 and an application. You are required to ensure compliance with each of the foregoing and client credentialing at your expense. All healthcare providers are W2 employees of ATC Healthcare Services, LLC. We assume responsibility for our employees and compliance with employment contracts and any applicable laws.

Your administrative employees are key assets to the success of the Franchise. You must notify us when you hire a new staff member for your Office and you must provide us with their title and job description, and we must be notified within three (3) business days when an employee is released.

8.7 Client Contracts

We assume responsibility for compliance with the client contracts. You shall, at all times, maintain a rate and term sheet for each client, or a contract with each client, that has been approved by us in writing. You are required to use the form of contract specified by us, and you may not alter our form of contract except to comply with applicable law, and any revisions must first be approved by us. You shall also obtain credit approval for each client according to our Brand Standards before you may begin providing Services to such client. All contracts for Services will be entered into by and between us and the client, and such contracts shall remain our property. You are not permitted to sign any client contracts or related contractual documents. You are not a party to these client contracts.

In addition, you are required to research the rates of pay and rates being charged to clients by competitors within the Territory, which research shall be conducted not less frequently than every six (6) months during the term of this Agreement. You shall report the result of your research to us in the manner we require.

8.8 Development of Territory

During the term of this Agreement, you shall be responsible for operating the Franchised Business for no less than forty (40) hours per week and developing all market segments within your Territory to their maximum potential. If you are not involved in the operation of your Office at least 40-hours per week, you will be required to hire a full-time business development associate within thirty (30) days of signing this Agreement, (or, if your involvement in the Office reduces to less than 40-hours per week during the Term, within thirty (30) days of our notice to you). If we believe, in our reasonable business judgment, that a market segment of your Territory is not being developed or utilized to its full potential, we reserve the right to appoint an additional representative to service the market segment that we deem to be neglected. The additional representative we designate will be an employee of us or our affiliates. You must pay our then-current management fee for our representative, and you shall reimburse our representative's expenses in so acting, including, but not limited to, travel, lodging and meals expenses, if incurred. We reserve the right to deduct the management fee and expenses from your total revenue before Direct Costs are deducted.

ARTICLE 9
ADVERTISING AND MARKETING

Recognizing the value of advertising and the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

9.1 Participation in Advertising

We may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all ATC Healthcare Services businesses operating under the System. You shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by us for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by us shall be final and binding upon you.

9.2 Local Advertising

In addition to the Brand Development Fee, if and when implemented, you shall spend, throughout the term of this Agreement, not less than Five Hundred and no/100 Dollars ($500) or two percent (2%) of total revenue, whichever is greater, each month on advertising for your Office in your Territory, including approved internet and website advertising ("Local Advertising"). You shall submit to us, within thirty (30) days of our request, advertising expenditure reports accurately reflecting your Local Advertising expenditures, including verification copies of all advertising and any other information that we require.

9.3 Brand Development Fund

Recognizing the value of uniform advertising and promotion to the goodwill and public image of the System, you agree that we or our designee shall have the right, but not the obligation, to establish, maintain and administer a brand development fund (hereinafter referred to as the "Fund") for such national, regional and/or local advertising programs as we may deem necessary or appropriate, in our sole discretion. We shall not be obligated to establish the Fund until we believe that doing so would be in the best interests of us, our affiliates, our franchisees and the System. If established, you agree to pay the Brand Development Fee, as described in Section 3.3. If we elect to establish the Fund, the Fund will be administered as follows:

9.3.1 The Fund may be managed by us, our designee or a professional agency to advertise and promote the System and ATC Healthcare Services businesses. The Fund will be used for national, regional and/or local advertising, publicity and promotion relating to our business. We will determine, in our fully unrestricted discretion, the manner in which the Fund will be spent. Some portion of the Fund may be used for creative concept production, marketing surveys, test marketing and related purposes. We have the right to direct all advertising activities with sole discretion over creative concepts, materials and media used, as well as their placement and allocation. The Fund will not be audited.

9.3.2 We have the right to reimburse ourselves out of the Fund for the total costs (including indirect costs) of developing, producing and distributing any advertising materials and collecting the Brand Development Fee (including attorneys', auditors' and accountants' fees and other expenses incurred in connection with collecting any Brand Development Fees). The Fund is not our asset, and it is not a trust. We do not owe you any fiduciary obligations because we maintain the Fund. We may spend in any calendar year an amount greater or less than the aggregate contributions made by all businesses contributing to the Fund in that year. We may make loans to the Fund (and the Fund may borrow from us or other lenders) bearing reasonable interest to cover any deficits of the Fund or cause the Fund to invest surplus for future use. Any money remaining in the Fund at the end of any year will carry over to the next year.

9.3.3 Any ATC Healthcare Services business owned by us or our affiliates will contribute to the Fund on the same basis as franchisees in the System. Funds from the Brand Development Fees paid will be kept separate and distinct and will be accounted for separately from our other funds. These funds will not be used to defray any of our general operating expenses, except as described in the

paragraph above, and will not be used for advertising that is primarily a solicitation of new franchisees. We will prepare, and furnish to you upon written request, an unaudited annual statement of funds collected and costs incurred.

9.3.4 We may incorporate the Fund or operate it through a separate entity whenever we want. The Fund is intended to maximize general public recognition and patronage of all ATC Healthcare Services businesses and the Marks for the benefit of all ATC Healthcare Services businesses. We have no obligation to make sure that expenditures by the Fund are proportionate or equivalent to contributions by your Office or to make sure that any office will benefit directly or in proportion to its contribution to the Fund from the conduct of marketing programs or the placement or advertising.

9.3.5 We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Fund contributions at the Fund's expense. We also may forgive, waive, settle and compromise all claims by or against the Fund.

9.3.6 We may at any time defer or reduce the Fund contributions of any office and, upon thirty (30) days' prior written notice to you, reduce or suspend Fund contributions and operations for one (1) or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will distribute all unspent monies to all offices (whether franchised or operated by us or our affiliates) in proportion to their respective Fund contributions during the preceding twelve (12) month period. If we terminate the Fund, we will have the right to reinstated it at any time, and the reinstated Fund will be maintained as described above.

9.4 Conduct of Advertising; Our Approval

All advertising and promotion by you in any medium shall be conducted in a professional manner and shall conform to our standards and requirements as set forth in the Brand Standards Manual or otherwise. You shall obtain our approval of all advertising and promotional plans and materials prior to use if such plans and materials have not been prepared by us or previously approved by us during the twelve (12) months prior to their proposed use. You shall submit such unapproved plans and materials to us, and we shall have fifteen (15) days to notify you of our approval or disapproval of such materials. If we do not provide our specific approval of the proposed materials within this fifteen (15) day period, the proposed materials are deemed to be not approved. Any plans and materials that you submit to us for our review will become our property and there will be no restriction on our use or dissemination of such materials. You shall not advertise or use the Marks in any fashion on the internet, world wide web or via other means of advertising through telecommunication without our express written consent.

We reserve the right to require you to include certain language on all advertising to be used locally by you, including, but not limited to, "Franchises Available" and reference to our telephone number and/or Website.

9.5 Initial Marketing Fee

In addition to the ongoing advertising expenditures set for herein, you shall be required to pay to us an amount equal to Ten Thousand Dollars ($10,000) as an initial marketing fee to be used in your Office's start-up phase. Under this program we will allocate these funds towards marketing and promoting your Office in the first three (3) to six (6) months of operation to help accelerate the Office's start-up. Usage of initial marketing fee funds shall count against your Office's local advertising requirement. We may pay marketing and promotion vendors out of the program funds on your behalf, or we may reimburse you from the program funds for payments you make directly to vendors.

9.6 Technology

As used in this Agreement, the term "Website" means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers linked by communications software. The term Website includes, but is not limited to, internet and world wide web home pages. In connection with any Website, you agree to the following:

A multi-page interactive company website is required to be opened and maintained. Franchisor has partnered with an outside vendor, an experienced group of internet marketers, to develop and manage our Digital Marketing campaign. This outside vendor will be responsible for all website development, social media plan (LinkedIn, Facebook and Twitter), website Search Engine Optimization, website performance analytics, website hosting and maintenance.

9.6.1 We shall have the right, but not the obligation, to establish and maintain a Website, which may, without limitation, promote the Marks, ATC Healthcare Services businesses and any or all of the products and services offered at offices, the franchising of ATC Healthcare Services businesses, and/or the System. We shall have the sole right to control all aspects of the Website, including without limitation its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage; we shall also have the right to discontinue operation of the Website.

9.6.2 We shall have the right, but not the obligation, to designate one (1) or more web page(s) to describe you and/or your Office, with such web page(s) to be located within our Website. You shall comply with our policies with respect to the creation, maintenance and content of any such web pages; and we shall have the right to refuse to post and/or discontinue posting any content and/or the operation of any web page.

9.6.3 You shall not establish a separate Website related to the Marks or the System without our prior written approval (which we shall not be obligated to provide). If approved to establish such a Website, you shall comply with our policies, standards and specifications with respect to the creation, maintenance and content of any such Website. You specifically acknowledge and agree that any such Website owned or maintained by you or for your benefit shall be deemed "advertising" under this Agreement and will be subject to (among other things) our approval under this Article 9.

9.6.4 We shall have the right to modify the provisions of this Section 9.6 relating to Websites as we shall solely determine is necessary or appropriate via the Brand Standards Manual or otherwise.

9.6.5 You understand and agree that you may not promote your Office or use any Mark in any manner on social and/or networking Websites, including, but not limited to, Facebook, LinkedIn, and Twitter, without our prior written consent.

9.6.6 You understand and agree that we will provide you with an email address for your use in operating the Office, and you shall not establish a separate email address for the Office without our prior written consent.

9.6.7 We may charge you a technology fee for computer/online system including website, applicant tracking system (ATS), scheduling app, Google Ad Words, recruiting website, PowerBI and all level 1 MS licenses and MS level 3 licenses ("Technology Fee"). The Technology Fee charged is determined by us in our sole and absolute discretion and may be between One Thousand Five Hundred and no/100 dollars ($1,500) per month and Three Thousand and no/100 dollars ($3,000) per month.

9.7 Recruitment Efforts

In addition to Local Advertising, you shall conduct recruitment efforts in the form of advertising and client marketing in your Territory throughout the term of this Agreement. You must spend not less than one percent (1%) of total revenue each month on such recruitment efforts, including, without limitation, use of our specified applicant tracking system. In addition, if you are not involved in the operation of your Office at least 40-hours per week, you will be required to hire a full-time recruiter within thirty (30) days of signing this Agreement (or, if your involvement in the Office reduces to less than 40-hours per week during the Term, within thirty (30) days of our notice to you). Recruitment efforts must be conducted according to our policies and standards, and must be submitted to us for our approval, as detailed in Section 9.4 above. Recruitment efforts must also comply with Equal Opportunity Employer (EOE) requirements, must state you are an EOE, and must comply with any applicable state and local laws or regulations. You shall submit to us, within thirty (30) days of our request, a recruitment efforts expenditure report accurately reflecting your recruitment efforts expenditures and any other information that we require.

9.8 Operating System (OS) and Applicant Tracking System (ATS)

All Franchisees are required to use the OS system, ATS and scheduling application selected by us for all HCAs. An operating system (OS) is software for the entry, data tracking, and data information needs of the Human Resources, payroll, management, benefits and accounting functions within our company. It includes the following:

- Management of all employee information.
- Reporting and analysis of employee information.
- Houses all company-related documents and forms and automates the onboarding process
- Benefits administration including enrollment, status changes, and personal information updating.
- Complete integration with payroll and financial software and accounting systems.
- Employee Self Service portal

The Applicant Tracking System (ATS) is a cloud-based system that enables the electronic handling of recruitment needs, including managing VMS portals and templates for posting jobs across online boards and on franchise websites. We reserve the right to modify the OS, ATS or scheduling application at any time and for no reason and you must pay all costs associated with said change.

ARTICLE 10
RECORDS, REPORTS AND FINANCIAL STATEMENTS

10.1 Records and Reporting Requirements

You agree to establish and maintain at your own expense a bookkeeping, accounting and record keeping system conforming to the requirements and formats we prescribe from time to time. All of your bookkeeping and recordkeeping practices shall conform to applicable federal, state or local requirements. We will require you to use a Computer System for applicant tracking, recruiting, onboarding, scheduling and fulfilling requests for temporary employees, searching and matching employee skills for the job order, email, word processing, accounting and to input and maintain certain sales data, financial information and other information, in such formats and in such manner as we periodically prescribe, and to store, save, back up and transmit that data and information to us on a schedule we periodically prescribe. You also must maintain the Computer System and purchase the hardware and software we designate in order to allow us unlimited access to, and the ability to download, all information in your Computer System at any time. You shall, at all times during the term of this Agreement, maintain a highspeed internet connection for the

Computer System. We shall have access to the data on your Computer System at all times, and any data related to the Office is our property.

You agree to give us, in the manner and format that we periodically prescribe:

(a) within thirty (30) days after the end of each calendar quarter, the operating statements, financial statements, statistical reports and other information we request regarding you and the Office covering that quarter, prepared according to generally accepted accounting principles;

(b) within forty-five (45) days after the end of the Office's fiscal year, annual profit and loss and source and use of funds statements and a balance sheet for the Office as of the end of that fiscal year, prepared according to generally accepted accounting principles;

(c) within ten (10) days after filing thereof, exact copies of federal and state income and other tax returns and any other forms, records, books and other information we periodically require relating to the Office, you and your Principals or the Franchise (we will use reasonable efforts to keep such records confidential); and

(d) within 24 hours of any human resources incident you must notify us, regardless of the severity. You may not take any action on our behalf or communicate independently with clients and/or any public authorities without the involvement of our compliance department and/or human resources officer.

You agree to verify and sign each report and financial statement in the manner we prescribe. We may disclose data derived from these reports, although we will not (without your consent) disclose your identity in any materials that we circulate publicly. If you ever receive formal notice from us of your failure to comply with your reporting or payment obligations under this Agreement, we may require you to have reviewed financial statements prepared annually during this Agreement's remaining term.

10.2 Our Right to Audit

We may at any time during your business hours, and with seventy-two (72) hours' prior notice to you, examine the Office's bookkeeping and accounting records, sales and income tax records and returns, and other records. You agree to cooperate fully with our representatives and independent accountants in any inspection or audit. If any inspection or audit discloses an understatement of any amounts owed to us, you shall pay such understated amount together with applicable interest thereon. If any inspection or audit discloses a discrepancy of three percent (3%) or more of any amounts owed to us, then in addition to paying any understated amount plus interest, you agree to reimburse us for the cost of our examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees and/or independent contractors. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

ARTICLE 11
INSPECTIONS

To determine whether you and the Office are complying with this Agreement and all Brand Standards, we and our designated agents and representatives may at all times during normal business hours, and with seventy-two (72) hours' prior notice to you, inspect your Office. During any inspection conducted by us or our designated agents or representatives we may, without limitation:

(a) inspect the Office;

(b) observe, photograph, and videotape the Office's operation for consecutive or intermittent periods we deem necessary;

(c) interview Office personnel and clients; and

(d) inspect and copy any books, records and documents relating to the Office's operation, including, but not limited to, verifying your compliance with client contracts; license, permit and/or credential requirements; and worker's compensation rules.

You agree to cooperate with us and/or our agents fully. If we exercise any of these rights, you will use your best efforts not to interfere unreasonably with the Office's operation. You agree to present to your clients the evaluation forms that we periodically prescribe and to participate and/or request your clients to participate in any surveys performed by or for us.

ARTICLE 12
TRANSFER

12.1 By Us

We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (ii) the assignee shall expressly assume and agree to perform such obligations.

You expressly affirm and agree that we may sell our assets, our rights to the Marks or to the System outright to a third party; sell or buy company shares; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Marks (or any variation thereof) and/or the loss of association with or identification of "ATC Healthcare Services, LLC." as Franchisor. Nothing contained in this Agreement shall require us to remain in the temporary or permanent employment business or to offer the same products and services, whether or not bearing the Marks, in the event that we exercise our right to assign our rights in this Agreement.

12.2 By You

You understand and acknowledge that the rights and duties this Agreement creates are personal to you and your Principals and that we have granted you the Franchise in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you and your Principals. Accordingly, neither (i) this Agreement (or any interest in this Agreement), nor (ii) any interest in the ownership of you, the Franchise, the Office (or any right to receive all or a portion of the Office's profits or losses), or all or substantially all of the Operating Assets, may be transferred without our prior written approval. A transfer of the Office's and the Operating Assets' ownership, possession or control may be made only with a transfer of this Agreement. You must notify us prior to advertising your Office for sale, whether through a broker, the internet, or any other written, verbal or electronic means. Any transfer without our prior written approval is a breach of this Agreement and has no effect. In this

Agreement, the term "transfer" includes your voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition and includes the following events:

12.2.1 transfer of interest, in whole or in part, in this Agreement, the Operating Assets or the Office (or any right to receive all or a portion of the Office's profits or losses) in a divorce, insolvency or entity dissolution proceeding, or otherwise by operation of law; or

12.2.2 if you or any Principal die, transfer of an interest in this Agreement, the Operating Assets or the Office (or any right to receive all or a portion of the Office's profits or losses) by will, declaration of or transfer in trust, or under the laws of intestate succession; or

12.2.3 pledge of this Agreement (to someone other than us) as security, foreclosure upon the Office, or your transfer, surrender or loss of the Office's possession, control or management; or

12.2.4 if you are an entity, the transfer of shares, partnership or member interests, or other ownership interests of you, among the Principals or to a new principal; or

12.2.5 merger or consolidation or issuance of additional securities representing ownership interests; or

12.2.6 any sale of ownership interests carrying voting rights in you or any security convertible to voting ownership interests in you or any agreement granting the right to exercise or control the exercise of the voting rights of any holder of an ownership interest.

12.3 Conditions for Approval of Transfer

If you and your Principals are in full compliance with this Agreement, then, subject to the other provisions of this Section, we will not unreasonably withhold our approval of a transfer that meets all the requirements in this Section; provided, however, that if the transfer is of a minority ownership interest in you (and you retain a majority equity interest and voting control), Subsections 12.3.2, 12.3.5, 12.3.6, 12.3.7, 12.3.10 and 12.3.11 below shall not apply. Except as described in the previous sentence, we must qualify and approve all proposed transferees in our sole and absolute discretion and all of the following conditions must be met before or concurrently with the effective date of the transfer:

12.3.1 the transferee and its principals must be individuals of good moral character and otherwise meet our then applicable standards for an ATC Healthcare Services franchisee;

12.3.2 the transferee has sufficient business experience, aptitude and financial resources to operate the Office;

12.3.3 you have paid all required Royalty Fees, Brand Development Fees and other amounts owed to us and our affiliates, have submitted all required reports and statements, and are not in violation of any provision of this Agreement or any other agreement with us or our affiliates;

12.3.4 the transferee does not operate, or have an ownership or other interest in or relationship with a Competitive Office or has fully divested all such ownership or other interest in such Competitive Office at least fourteen (14) days prior to transfer, and shall execute an affidavit undertaking to such effect;

12.3.5 the transferee satisfactorily completes our training program;

12.3.6 the transferee and any other persons designated by us sign our then-current form of franchise agreement and related documents, the provisions of which may differ materially from any and all of those contained in this Agreement and the term of which shall be for the remaining term of this Agreement at the time of transfer;

12.3.7 you or pay us, upon consummation of the transfer, a transfer fee equal to Fifteen Thousand Dollars ($15,000); provided, however, that in the event the transfer is to an immediate family member (which for purposes of this Agreement includes parents, siblings and/or children), the transfer fee payable hereunder shall be Seven Thousand Five Hundred Dollars ($7,500); or in the event the transfer is of shares, partnership or member interests, or other ownership interests of you, among the Principals, the transfer fee payable hereunder shall be One Thousand Dollars ($1,000). You acknowledge, understand and agree that the transfer fee is due from you and we will not attempt to collect such fee from the party that you are transferring the Office to.;

12.3.8 you and the transferring Principals sign a general release, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective shareholders, officers, directors, employees, representatives, agents, successors and assigns (provided, however, that all rights enjoyed by you and any causes of action arising in your favor from the provision of Article 33 of the GBL and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied);

12.3.9 we have determined that the purchase price and payment terms will not adversely affect the transferee's operation of the Office;

12.3.10 if we finance any part of the purchase price, you agree that all of the transferee's obligations under promissory notes, agreements or security interests reserved in the Office are subordinate to the transferee's obligation to pay Royalty Fees and other amounts due to us and otherwise to comply with this Agreement;

12.3.11 the landlord of the Office must consent in writing to the assignment of your lease to the transferee;

12.3.12 if the proposed transferee is acquiring a portion of the interest in the legal entity that is you, then the proposed transferee will be your Principal and as such agrees to be individually bound by the obligations in this Agreement and is not released from any obligations to us;

12.3.13 you agree for three (3) years beginning on the transfer's effective date, not to engage in any of the activities prescribed in Section 15.4 below;

12.3.14 you will not directly or indirectly at any time or in any manner (except with respect to other ATC Healthcare Services businesses you own and operate pursuant to franchise agreements with us) identify yourself or any business as a current or former ATC Healthcare Services business or as one of our franchisees, use any Mark, any colorable imitation of a Mark, or other indicia of an ATC Healthcare Services business in any manner or for any purpose, or utilize for any purpose any trade name, trademark, service mark, or other commercial symbol that suggests or indicates a connection or association with us;

12.3.15 the spouse of transferee, if applicable, shall execute our Spousal Guaranty; and

12.3.16 you agree that on the date of transfer, the total sum of all amounts due to you from us will be retained until all amounts due to us from you or clients have been satisfied.

We may review all information regarding the Office that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or we have made regarding the Office. If we assisted in identifying a buyer for the Sale of your Franchise, we may require a commission to be paid to us.

12.4 Transfer to a Wholly Owned or Controlled Entity

If you are an individual or individuals and are in full compliance with this Agreement, then we shall not unreasonably withhold our approval of a transfer of this Agreement, the Franchise, and the Office, one (1) time only, to a corporation or comparable legal entity: (i) which conducts no business other than the ATC Healthcare Services business, and (ii) in which the Principal(s) originally purchasing the Franchise maintain control and own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding ownership interests in the same proportional interest as originally owned. Such an assignment shall not relieve you and your Principals of your obligations hereunder; the Principals shall remain personally liable for the performance of all obligations under this Agreement and are not released from any obligations to us. Copies of the articles of incorporation, bylaws, operating agreement, other governing documents, any amendments thereto, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of stock of the corporation, and any other documents as may reasonably be required by us shall be furnished to us prior to the addition of your corporation or limited liability company as a "franchisee" under this Agreement. Shareholder certificates or other documents representing ownership interests of such legal entity must be endorsed with a legend in form approved by us reciting that the transfer of interests in you is subject to the restrictions of this Agreement.

12.5 Transfer Upon Death or Disability

If you or one of your Principals die, leaving, in our discretion, no fully experienced survivor capable of carrying on the business of the Office in a satisfactory manner, or shall become disabled from performing their functions for a period of time that the viability of the Office is endangered in our reasonable opinion, or if you cease to operate under the provisions of this Agreement for any other reason, we shall be entitled, at our option, to hire a manager to operate the day-to-day business at your cost, or to cause the immediate assignment of your rights and interest in this Agreement to us. If an assignment occurs as the result of the death or disability of you or one of your Principals and if the Office has been in operation for twelve (12) months or longer (but not otherwise), we shall pay you (or your survivors or estate, as the case may be) an amount equal to fifty percent (50%) of that portion of the net sales (being total revenue less direct costs) of the Office during the six (6) months next following your ceasing to so operate, based upon actual net sales for Services performed by the Office during that six (6) month period. The purchase price shall be paid in installments on the last day of each of the twelve (12) fiscal months next following our exercise of this option, in amounts representing each half-fiscal month's net sales. Any amounts payable to you hereunder shall be offset by any amounts due to us from you.

12.6 Operation in the Event of Absence or Disability

In order to prevent any interruption of the Office's operations which would cause harm to the Office, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Office, operate the Office for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Office during such period of operation by us shall be kept in a separate account, and the expenses of the Office, including reasonable compensation and expenses for our representative as well as our other expenses incurred in exercising our rights pursuant to this Section 12.6, shall be charged to said account. If, as herein provided, we temporarily operate the Office franchised herein

for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

12.7 Effect of Consent to Transfer

Our consent to any transfer is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of the Office's or transferee's prospects of success, or a waiver of any claims we have against you or of our right to demand the transferee's full compliance with this Agreement's terms or conditions.

12.8 Our Right of First Refusal

If you at any time determine to sell or transfer (a) an interest in this Agreement, (b) all or substantially all of the Operating Assets, or (c) the Office (including the right to receive your portion of the Office's profits or losses) – except to or among your Principals – you agree to obtain from a responsible and fully disclosed buyer, and send to us, a true and complete copy of a bona fide, executed written offer relating exclusively to an interest in this Agreement, the Operating Assets and the Office. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price.

We may, by delivering written notice to you within thirty (30) days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest for the price and on the terms and conditions contained in the offer, provided that: (i) we may substitute cash for any form of payment proposed in the offer; (ii) our credit will be deemed equal to the credit of any proposed buyer; (iii) we will have not less than sixty (60) days to prepare for closing after notifying you of our election to purchase; and (iv) we must receive, and you agree to make, all customary representations and warranties given by the seller of the assets of a business, including, without limitation, representations and warranties regarding ownership and condition of, and title to, assets and validity of contracts and the liabilities, contingent or otherwise, relating to the assets being purchased. If we exercise our right of first refusal, you agree that, for three (3) years beginning on the closing date, you will be bound by the non-competition covenant contained in Section 15.4 below.

If we do not exercise our right of first refusal, you may complete the sale to the proposed buyer on the original offer's terms, subject to our approval of the transfer as provided in Sections 12.2 and 12.3 above. If you do not complete the sale to the proposed buyer within sixty (60) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (which you must tell us promptly), we will have an additional right of first refusal during the thirty (30) day period following either the expiration of the sixty (60) day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our option.

12.9 Ownership Structure

If you are an entity, you represent and warrant that your ownership structure is as set forth on Attachment 1 hereto and covenant that you will not vary from that ownership structure without our prior written approval.

As the Franchise owner you must designate yourself with the title of Executive Director of ATC Healthcare Services, LLC (City- Location: Operations).

ARTICLE 13
GRANT OF A RENEWAL FRANCHISE

13.1 Renewal

Subject to the provisions of this Section, you shall have an option (exercisable only by written notice delivered to us less than nine (9) months, but more than six (6) months, prior to the end of the initial term of this Agreement) to renew the franchise hereunder for up to two (2) additional terms of five (5) years each, if:

13.1.1 you have been, throughout the initial term of this Agreement, in substantial compliance, and at the expiration of such initial term are in full compliance, with this Agreement, the lease and all other agreements between you and us or companies associated or affiliated with us;

13.1.2 you enter into our then-current Franchise Agreement and all other ancillary agreements, instruments and documents then customarily used by us in the granting of franchises (which then-current Franchise Agreement may materially differ from this Agreement, including a higher rate of fees, different methods of calculating fees due, and different payment methods, which shall be the same as those set out in the franchise agreements being executed at the time of renewal);

13.1.3 you are able to maintain possession of the site for the Office (or at a relocated site) pursuant to a lease reasonably acceptable to us;

13.1.4 you refurbish, upgrade, and/or renovate your Office as we require in order that your Office will meet our then-current standards and image for ATC Healthcare Services businesses;

13.1.5 the landlord of the site consents to a renewal or extension of the lease;

13.1.6 at the time the renewal option is exercised and at the time such renewal commences, all monetary obligations to us and any affiliate of ours must be current and must have been current at all times during the preceding twelve (12) months;

13.1.7 you execute a general release running in favor of us, our affiliates and our respective officers, directors and shareholders releasing all claims against us, our officers, directors and shareholders (provided, however, that all rights enjoyed by you and any causes of action arising in your favor from the provision of Article 33 of the GBL and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied); and

13.1.8 you pay to us a renewal fee equal to Five Thousand Dollars ($5,000).

13.2 Refusal to Renew Franchise Agreement

We can refuse to renew your franchise if your lease, sublease or other document by which you have the right to occupy the Office premises is not extended before your renewal term is to take effect to cover the first year of the renewal or if you do not have a written commitment from your landlord to renew the lease or sublease for a period at least equal to the first year of the renewal term. We may also refuse to renew your franchise under other circumstances, including, but not limited to, your failure to substantially comply with the terms of this Agreement, your failure to pay amounts owed to us when due, or your failure to cure of any defaults incurred during the initial term of this Agreement, if applicable.

13.3 Renewal Under Law

Even though we decline the renewal of your franchise, it is possible that we can be required to renew it under a law, rule, regulation, statute, ordinance, or legal order that is applicable at the time. If that happens, to the extent it is allowed by the concerned law, rule, regulation, statute, ordinance or order, your renewal term will be subject to the conditions of the Franchise Agreement we are using for new franchisees at the time the renewal period begins. If we are not then offering new franchises, your renewal period will be subject to the terms in the Franchise Agreement that we indicate. If for any reason that is not allowed, the renewal term will be governed by the terms of this Agreement.

13.4 Your Election Not to Renew

For the purposes hereof, you shall be deemed to have irrevocably elected not to renew the franchise hereunder (and the option to do so shall thereupon terminate) if you fail to execute and return to us our then-standard Franchise Agreement and other ancillary documents required by us for a renewal franchise within thirty (30) days after we have delivered them to you.

ARTICLE 14
TERMINATION OF AGREEMENT

14.1 Our Termination Rights – No Opportunity to Cure

We may terminate this Agreement, effective upon delivery of written notice of termination to you, if:

14.1.1 you or any of your Principals have made or make a material misrepresentation or omission in acquiring the Franchise or operating the Office;

14.1.2 you fail to open the Office for business within the time frame required by Section 2.4;

14.1.3 you do not satisfactorily complete initial training, after giving you an opportunity to re-take the initial training;

14.1.4 you abandon or fail actively to operate the Office for thirty (30) or more consecutive business days without our prior approval, except for in the case of acts of God, war, terrorism and other situations which are beyond your control;

14.1.5 you or any Principal surrenders or transfers control of the Office's operation without our prior written consent;

14.1.6 you or a Principal are or have been convicted by a trial court of, or plead or have pleaded no contest to, a felony or misdemeanor involving violence, or moral turpitude, or if you or any Principal engage in consumer fraud, dishonesty, diversion or attempted diversion (either intentional or by neglect) of payments due to us hereunder, breach of ethical standards generally recognized in the temporary healthcare services field, or engage in any illegal activities at or from the Office, whether or not such actions result in conviction by a trial court;

14.1.7 you interfere with our right to inspect the Office or observe its operation, as provided in Article 11 of this Agreement;

14.1.8 you or any Principal engage in any dishonest or unethical conduct which, in our opinion, adversely affects the Office's reputation, the reputation of other ATC Healthcare Services businesses or the goodwill associated with the Marks;

14.1.9 you or any Principal make an unauthorized assignment or transfer of this Agreement, all or substantially all of the Operating Assets, the Office or the right to receive all or any part of the Office's profits or losses;

14.1.10 any material licenses or permits necessary for the Office's proper operation are revoked or not renewed;

14.1.11 you or any Principal make any unauthorized use or disclosure of any part of the Brand Standards Manual or any other Confidential Information, or disclose all or any part of the Client List;

14.1.12 you fail to pay when due any federal, state or local income, service, sales or other taxes due on the Office's operation, unless you are in good faith contesting your liability for these taxes;

14.1.13 you (a) fail on three (3) or more separate occasions within any consecutive twelve (12) month period to submit when due reports or other data, information or supporting records, to pay when due any amounts due to us (or our affiliates), or otherwise to comply with this Agreement, whether or not you correct any of these failures after we deliver written notice to you; or (b) fail on two (2) or more separate occasions within any consecutive six (6) month period to comply with the same obligation under this Agreement, whether or not you correct either of the failures after we deliver written notice to you;

14.1.14 you, or any of your Principals shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or any of your Principals or such a petition is filed against and not opposed by you or such Principal; if you or any of your Principals is adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets or any of your Principals or their business or assets is filed and consented to by you or such Principal; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, or the assets or property of any of your Principals, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you or any of your Principals; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your or their business or property; if suit to foreclose any lien or mortgage against the Office premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Office shall be sold after levy thereupon by any sheriff, marshal, or constable;

14.1.15 you, your Principals or any immediate family member thereof violates the restrictions of Article 7 (Exclusive Relationship) or any other non-compete agreement. As used herein, the term "immediate family" includes a spouse or life partner, children (including stepchildren and adopted children), parents and siblings;

14.1.16 you cause or permit to exist a material default under the lease or sublease for the site and fail to cure such default within the applicable cure period set forth in the lease or sublease;

14.1.17 you fail to pay us (or our affiliates) any amounts due and do not correct the failure within five (5) business days after we deliver written notice of that failure to you;

14.1.18 your or your Principals' assets, property or interests are "blocked" under any law, ordinance or regulation relating to terrorist activities or if you or your Principals otherwise are in violation of any such law, ordinance or regulation, or any other law, ordinance or regulation applicable to the Office;

14.1.19 you fail to comply with any other provision of this Agreement or any System Standard and do not correct the failure within thirty (30) days after we deliver written notice of the failure to you;

14.1.20 you fail to operate the business in a full-time (forty (40) hours per week) capacity or hire a General Manager or successor General Manager upon espiration of a General Manager's employment, within the time frame required by this Agreement; or

14.1.21 there is no activity in your Territory for a period of 12 months following the Opening Date.

14.2 Our Termination Rights – Opportunity to Cure

This Agreement shall, at our option, terminate upon notice and your failure to cure within the specified time periods if you:

14.2.1 fail or refuse to make payments of any amounts due us for Royalty Fees or any other amounts due to us or our affiliates, and do not correct such failure or refusal within five (5) business days after written notice of such failure is delivered to you;

14.2.2 fail or refuse to comply with any other provision of this Agreement, or any mandatory specification, standard or operating procedure prescribed in the Brand Standards Manual or otherwise in writing, and do not correct such failure within thirty (30) days or provide proof acceptable to us that you have made all reasonable efforts to correct such failure and shall continue to make all reasonable efforts to cure until a cure is effected; if such failure cannot reasonably be corrected within thirty (30) days after written notice of such failure to comply is delivered to you;

14.2.3 materially misuse or make an unauthorized use of any of the Marks or commit any other act which can reasonably be expected to materially impair the goodwill associated with any of the Marks and do not correct the misuses or unauthorized use within thirty (30) days of receiving notice;

14.2.4 have any required license or permit suspended and do not reinstate such license or permit in good standing within thirty (30) days of receiving notice;

14.2.5 fail to maintain the insurance and/or bonds required hereunder and do not obtain such required insurance and/or bonds within seven (7) days of receiving notice;

14.2.6 receive an unreasonable amount of patient or client complaints against your Office which, in our reasonable judgment, damage the goodwill of us and/or the Proprietary Marks and which are not resolved to our satisfaction; or

14.2.7 if you fail to adequately vet a candidate or fail to properly credential a candidate, this will be considered a default hereunder. You shall have five (5) days in which to cure this default. In the event that the credentialing failure results in a monetary penalty to us, you shall be solely responsible for that monetary penalty. If the credentialing failure results in a cancellation of a National Contract for three (3) months or more; that cancellation will be also be considered an event of default, which cannot be cured and you will be responsible for the loss of revenue to the entire ATC Healthcare Services network of

businesses as a result of this contract cancellation for the period of suspension and up to a year for cancellation or a suspension if more than three (3) months; or

14.2.8 if you fail or refuse to comply with any federal, state or local laws pertaining to labor laws and regulations in employing Office staff. You shall have five (5) days in which to cure such default.

14.3 Reinstatement and Extension

To the extent that the provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation, non-renewal or the like, other than in accordance with applicable law, to the extent such are not in accordance with applicable law, we may reinstate or extend the term for the purpose of complying with applicable law by submitting a written notice to you without waiving any of our rights under this Agreement.

14.4 Cross-Defaults, Non-Exclusive Remedies, etc.

Any default by you (or any person/company affiliated with you) under this Agreement may be regarded as a default under any other agreement between us (or any of our affiliates) and you (or any of your affiliates). Any default by you (or any person/company affiliated with you) under any other agreement, including, but not limited to, any lease and/or sublease, between us (or any of our affiliates) and you (or any person/company affiliated with you), and any default by you (or any person/company affiliated with you) under any obligation to us (or any of our affiliates) may be regarded as a default under this Agreement. Any default by you (or any person/company affiliated with you) under any lease, sublease, loan agreement, security interest or otherwise, whether with us, any of our affiliates and/or any third party may be regarded as a default under this Agreement and/or any other agreement between us (or any of our affiliates) and you (or any of your affiliates).

In each of the foregoing cases, we (and any of our affiliates) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company affiliated with you) and our (and/or our affiliates') obligations. No right or remedy which we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available.

14.5 Our Right to Discontinue Services to You

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of termination pursuant to this Article 14, we have the right to suspend our performance of any of our obligations under this Agreement including, without limitation, the sale or supply of any services or products for which we are an approved supplier to you and/or suspension of your webpage on our Website, until such time as you correct the breach, if such breach may be cured under the terms of this Agreement.

14.6 Amendment Pursuant to Applicable Law

Notwithstanding anything to the contrary contained in this Article, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this franchise and the parties hereto shall limit our rights of termination under this Agreement or shall require longer notice periods than those set forth above, this Agreement is deemed amended to satisfy the minimum notice periods or restrictions upon such termination required by such laws and regulations; provided, however, that such constructive amendment shall not be deemed a concession by us that the grounds for termination set forth in this Agreement do not constitute "good cause" for termination within the meaning ascribed to that term

by any applicable law or regulation. We shall not be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or proceeding relating to this Agreement or the termination of this Agreement.

ARTICLE 15
RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT

15.1 Payment of Amounts Owed

You agree to pay, within thirty (30) days after this Agreement expires or is terminated, or on any later date that we determine, the amounts due to us or our affiliates which then are unpaid.

15.2 De-Identification

When this Agreement expires or is terminated for any reason:

15.2.1 you shall not directly or indirectly at any time thereafter or in any manner (except in connection with other ATC Healthcare Services businesses you own and operate pursuant to Franchise Agreements with us): (a) identify yourself or any business as a current or former ATC Healthcare Services business or as one of our franchisees; (b) use any Mark, any colorable imitation of a Mark, any trademark, service mark or commercial symbol that is confusingly similar to any Mark, or other indicia of an ATC Healthcare Services business in any manner or for any purpose; or (c) use for any purpose any trade name, trademark, service mark or other commercial symbol that indicates or suggests a connection or association with us;

15.2.2 you agree to take the action required to cancel all fictitious or assumed name (d/b/a) or equivalent registrations relating to your use of any Mark;

15.2.3 you agree to deliver to us within thirty (30) days all signs; advertising, marketing and promotional materials; forms; and other materials containing any Mark or otherwise identifying or relating to an ATC Healthcare Services business that we request and allow us, without liability to you or third parties, to remove these items from the Office;

15.2.4 if we do not exercise an option to purchase the Office under Section 15.5 below, you agree promptly and at your own expense to make the alterations we specify in the Brand Standards Manual (or otherwise) to distinguish the Office clearly from its former appearance and from other ATC Healthcare Services businesses in order to prevent public confusion;

15.2.5 you agree to notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone, telecopy or other numbers and telephone directory listings associated with any Mark, to authorize the transfer of these numbers and directory listings to us or at our direction, and/or to instruct the telephone company to forward all calls made to your numbers to numbers we specify. As soon as you obtain any such numbers and listings, you shall sign our form of Internet Advertising, Social Media, and Telephone Account Agreement, attached to this Agreement as Attachment 3. If you fail to do so, we may take whatever action and sign whatever documents we deem appropriate on your behalf to effect these events;

15.2.6 you agree to notify all internet-based service providers used by you in the operation of the Office, including, without limitation, job posting boards, internet advertisements and/or social or networking Website accounts (whether or not established according to the provisions of this Agreement),

that you are no longer authorized to use such services related to the Office, that we own all accounts related to such services, and you shall take all actions required to ensure that ownership of such services and/or accounts is transferred to us; and

15.2.7 you agree to give us, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

15.3 Confidential Information

You agree that, when this Agreement expires or is terminated, you will immediately cease using any of Confidential Information in any business or otherwise and return to us all Confidential Information, including all copies of the Brand Standards Manual, the Client List, all client records and any confidential materials that we have loaned you. You shall also assign to us or our designee (which may be another franchisee in the System) each client contract and, if applicable, employment contract with temporary medical employees in effect at the time this Agreement expires or is terminated, and you shall execute any documents necessary to effectuate such assignment. You understand and acknowledge that we have the right to withhold payments otherwise due to you under this Agreement (without loss of our rights to any other remedies provided by law) in the event of any breach by you of your duty to assist in the orderly transfer of client contracts and employment contracts to us or our designee.

15.4 Covenant Not to Compete

Upon our termination of this Agreement according to its terms and conditions, upon transfer of this Agreement, or upon expiration of this Agreement without renewal, you agree that, for three (3) years beginning on the effective date of termination, the effective date of transfer, the expiration date or the date on which all persons restricted by this Section 15.4 begin to comply with this Section 15.4, neither you nor any Principal will have any direct or indirect interest (e.g. through a spouse) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent in any Competitive Office (as defined in Article 7 above) within seventy-five (75) miles of any ATC Healthcare Services business in the System.

You and your Principals expressly acknowledge that you and they possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, we in enforcing the covenants made in this Section will not deprive you or your Principals of your or their personal goodwill or ability to earn a living.

15.5 Our Right to Purchase Office

15.5.1 Exercise of Option. Upon our termination of this Agreement according to its terms and conditions or upon expiration of this Agreement without renewal, we have the option, exercisable by giving you written notice within thirty (30) days after the date of termination or expiration, to purchase any assets of the Office that we designate. We have the unrestricted right to assign this option to purchase. We are entitled to all customary warranties and representations in our asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise.

15.5.2 Purchase Price. The purchase price for the assets we choose to acquire will be their book value, provided that these items will not include any value for the Franchise or any rights granted by this Agreement, goodwill attributable to the Marks, our brand image, and other intellectual property or participation in the network of ATC Healthcare Services businesses. For purposes of determining the book

value of all equipment (including the Computer System) used in operating the Office, the equipment's useful life shall be determined to be no more than three (3) years.

15.5.3 We (or our assignee) will pay the purchase price at the closing, which will take place not later than sixty (60) days after the purchase price is determined, although we (or our assignee) may decide after the purchase price is determined not to exercise our purchase option. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you owe us or our affiliates. At the closing, you agree to deliver instruments transferring to us (or our assignee): (a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and transfer taxes paid by you; and (b) all of the Office's licenses and permits which may be assigned or transferred.

15.5.4 If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, we and you will close the sale through an escrow. You further agree to execute general releases, in a form satisfactory to us, of any and all claims against us and our affiliates and our respective shareholders, officers, directors, employees, agents, representatives, successors and assigns. If we exercise our rights under this Section 15.5, you agree that, for three (3) years beginning on the closing date, you will be bound by the non-competition covenant contained in Section 15.4 above.

15.6 Continuing Obligations

All of our and your obligations hereunder which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until these obligations are satisfied in full or by their nature expire.

15.7 Liquidated Damages

If we terminate this Agreement pursuant to Article 14, you must pay us liquidated damages equal to the (i) average value of the Royalty Fees you paid or (ii) the minimum Royalty Fee due, whichever is greater, during the twelve (12) months before the termination multiplied by twenty-four (24), being the number of months in two (2) full years.

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Agreement's termination and the loss of cash flow from Royalty Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term. The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees. It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty Fee section. You and each of your Principals agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee section.

ARTICLE 16
RELATIONSHIP OF THE PARTIES; INDEMNIFICATION

16.1 Independent Contractors

You and we understand and agree that this Agreement does not create a fiduciary relationship between us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner or employee of the other for any purpose. You agree to identify yourself conspicuously in all dealings with clients, suppliers, public officials, Office personnel and others as the Office's independent owner under a Franchise we have granted. You further agree to place notices of independent ownership on the forms, business cards, stationery, advertising and other materials we require from time to time, including without limitation a conspicuously placed sign at the Office.

16.2 No Liability for Acts of Other Party

We and you agree not to make any express or implied agreements, warranties, guarantees or representations, or incur any debt, in the name or on behalf of the other or represent that our relationship is other than franchisor and franchisee. We will not be obligated for any damages to any person or property directly or indirectly arising out of the Office's operation or the business you conduct under this Agreement.

16.3 Taxes

We will have no liability for any sales, use, service, occupation, excise, sales, income, property, corporate or other taxes, whether levied upon you or the Office, due to the business you conduct (except any taxes we are required by law to collect from you for purchases from us, if we are an approved supplier). You are responsible for paying these taxes.

16.4 Indemnification by You

To the fullest extent permitted by law, you agree to indemnify, defend and hold harmless us, our affiliates, and our respective shareholders, directors, officers, employees, agents, representatives, successors and assigns (the "Franchisor Indemnified Parties") from and against, and to reimburse any one (1) or more of the Franchisor Indemnified Parties for, any and all claims, obligations and damages directly or indirectly arising out of the Office's operation, the computer system, the business you conduct under this Agreement, or your breach of this Agreement. For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, punitive or otherwise) and costs that any Franchisor Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, and other expenses of litigation, arbitration or alternative dispute resolution, including travel and living expenses, regardless of whether litigation, arbitration or alternative dispute resolution is commenced.

Each Franchisor Indemnified Party may defend and control the defense of any claim against it which is subject to this indemnification at your expense, and you may not settle any claim or take any other remedial, corrective or other actions relating to any claim without our consent. Additionally, a Franchisor Indemnified Party may, at any time, settle any claim against it for which it is entitled to seek indemnity, and you shall reimburse the Franchisor Indemnified Party for any amount that the Franchisor Indemnified Party paid under the settlement terms. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. A Franchisor Indemnified Party need not seek recovery from an insurer or other third party, or otherwise mitigate its losses and expenses, in order to

maintain and recover fully a claim against you. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that a Franchisor Indemnified Party may recover from you.

16.5 Indemnification by Us

To the fullest extent permitted by law, we agree to indemnify, defend and hold harmless you, your affiliates, and your respective shareholders, directors, officers, employees, agents, representatives, successors and assigns (the "Franchisee Indemnified Parties") from and against, and to reimburse any one (1) or more of the Franchisee Indemnified Parties for, any and all claims, obligations and damages directly or indirectly arising out of our gross negligence or intentional acts. For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, punitive or otherwise) and costs that any Franchisee Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, and other expenses of litigation, arbitration or alternative dispute resolution, including travel and living expenses, regardless of whether litigation, arbitration or alternative dispute resolution is commenced.

Each Franchisee Indemnified Party may defend and control the defense of any claim against it which is subject to this indemnification at our expense, and we may settle any claim or take any other remedial, corrective or other actions relating to any claim we may choose. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. A Franchisee Indemnified Party need not seek recovery from an insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against us. We agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that a Franchisee Indemnified Party may recover from us.

ARTICLE 17
MISCELLANEOUS PROVISIONS; DISPUTE RESOLUTION

17.1 Severability and Substitution of Valid Provisions

Except as expressly provided to the contrary herein, each section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable and if, for any reason, any such portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which we are a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which shall continue to be given full force and effect and bind the parties hereto, although any portion held to be invalid shall be deemed not to be a part of this Agreement from the date the time for appeal expires, if you are a party thereto; otherwise upon your receipt of written notice of non-enforcement thereof from us. If any covenant herein which restricts competitive activity is deemed enforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable by reducing any part or all thereof, you and we agree that same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to enter into a successor franchise agreement than is required hereunder, or the taking of some other action not required hereunder, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by us is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof, and we shall have the right, in our sole discretion, to modify such invalid or enforceable provision, specification, standard or operating procedure to the extent required to be valid and

enforceable. Such modification(s) to this Agreement shall be effective only in such jurisdiction, unless we elect to give it greater applicability, and shall be enforced as originally made and entered into in all other jurisdictions. You agree to be bound by any such modification to this Agreement.

17.2 Waiver of Obligations

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other. Any waiver granted by us shall be without prejudice to any other rights we may have, will be subject to our continuing review and may be revoked, in our sole discretion, at any time and for any reason, effective upon delivery to you of ten (10) days' prior written notice. We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement by virtue of any custom or practice of the parties at variance with the terms hereof; any failure, refusal or neglect of ours or yours to exercise any rights under this Agreement or to insist upon exact compliance by the other with its obligations hereunder; any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, with respect to other ATC Healthcare Services businesses; or our acceptance of any payments due from you after any breach of this Agreement.

Neither we nor you shall be liable for loss or damage or deemed to be in breach of this Agreement if our or your failure to perform our respective obligations results from: (a) transportation shortages, inadequate supply of equipment, merchandise, supplies, labor, material or energy, or the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (b) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency thereof; (c) acts of God; (d) fires, strikes, embargoes, war or riot; or (e) any other similar event or cause, except where you are found to have deliberately or by gross negligence been the direct or indirect cause of the calamity. Any delay resulting from any of said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that said causes shall not excuse payments of amounts owed at the time of such occurrence or payment of Royalty Fees, Brand Development Fees or other payments due hereunder.

17.3 Injunctive Relief

Notwithstanding anything to the contrary contained in Section 17.6 of this Article, either party may institute in a court of competent jurisdiction an action or actions for temporary or preliminary injunctive relief; provided, however, that such party shall contemporaneously submit the dispute to arbitration on the merits in accordance with Section 17.6 of this Article. You agree that we may have such temporary or preliminary injunctive relief without bond, but upon due notice, and your sole remedy in the event of the entry of such injunctive relief shall be the dissolution of such injunctive relief, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby).

17.4 Rights of Parties are Cumulative

Our and your rights hereunder are cumulative and no exercises or enforcement by us or you of any right or remedy hereunder shall preclude the exercise or enforcement by us or you of any other right or remedy hereunder or which we or you are entitled by law to enforce.

17.5 Costs and Attorneys' Fees

If we incur expenses in connection with your failure to pay when due amounts to us or our affiliates, to submit when due any reports, information or supporting records or otherwise to comply with this Agreement, you shall reimburse us for any such costs and expenses which we incur, including but not limited to reasonable legal, arbitrators', accounting and related fees.

17.6 Dispute Resolution

Except to the extent we elect to enforce the provisions of this Agreement by judicial process and injunction in our sole discretion, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including claims of fraud in the inducement and other claims of fraud and the arbitrability of any matter) which have not been settled through negotiation will be settled by binding arbitration in Nassau County, New York under the authority of New York Statutes. The arbitrator(s) will have a minimum of five (5) years' experience in franchising or distribution law and will have the right to award specific performance of this Agreement. If the parties cannot agree upon a mutually agreeable arbitrator, then the arbitration shall be conducted as per the selection method set forth in the New York Statutes. The proceedings will be conducted under the commercial arbitration rules of the American Arbitration Association, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the New York Statutes. The decision of the arbitrator(s) will be final and binding on all parties. This Section will survive termination or non-renewal of this Agreement under any circumstances. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction thereof. During the pendency of any arbitration proceeding, you and we shall fully perform our respective obligations under this Agreement.

17.7 Governing Law

All matters relating to arbitration shall be governed by the Federal Arbitration Act. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement, the Franchise and the relationship of the parties shall be governed by the laws of the State of New York, without regard for its conflicts of laws principles.

17.8 Jurisdiction

With respect to actions described in Section 17.3 above and any other actions not subject to arbitration under Section 17.6 above, you and we agree that any action arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in a state or federal court of competent jurisdiction in Nassau County, New York. You irrevocably submit to the jurisdiction of such courts and waive any objection you may have to either the jurisdiction or venue of such court.

17.9 Waiver of Punitive Damages

The parties waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages, except punitive or exemplary damages allowed under federal statute. The parties agree that, in the event of a dispute between them, the party making a claim shall be limited to recovery of any actual damages it sustains.

17.10 Waiver of Jury Trial

Each party irrevocably waives trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either party.

17.11 You May Not Withhold Payments

You agree that you will not, on grounds of the alleged nonperformance by us of any of our obligations hereunder, withhold payment of any Royalty Fees, Brand Development Fees, direct costs, amounts due to us for purchases by you or any other amounts due to us.

17.12 Binding Effect

This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Subject to our right to modify the Brand Standards Manual, this Agreement shall not be modified except by written agreement signed by you and us.

17.13 Limitations of Claims

Any and all claims, except claims for monies due us, arising out of or relating to this Agreement or the relationship among the parties hereto shall be barred unless an action or legal or arbitration proceeding is commenced within one (1) year from the date you or we knew or should have known of the facts giving rise to such claims.

17.14 Entire Agreement; Construction

The preambles and attachments are a part of this Agreement, which together with the Brand Standards Manual, constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. The term "Franchisee" as used herein is applicable to one (1) or more persons, a corporate entity, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two (2) or more persons are at any time Franchisee hereunder, their obligations and liabilities to us shall be joint and several. References to "Franchisee" and "transferee" which are applicable to an individual or individuals shall also mean the principal owner(s) of the equity or operating control of Franchisee or the transferee if Franchisee or the transferee is a corporation or partnership. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of such sections or paragraphs.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any action or request by you, we have the absolute right to refuse any request by you or to withhold our approval of any action by you that requires our approval. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto.

17.15 Withholding Consent

In no event will you make any claim, whether directly, by way of setoff, counterclaim, defense or otherwise, for money damages or otherwise, by reason of any withholding or delaying of any consent or approval by us. Your sole remedy for any such claim is to submit it to arbitration as described in this Agreement and for the arbitrator to order us to grant such consent.

17.16 Step-In Rights – Cause for Step-In

If we determine in our sole judgment that the operation of your Office is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Office which would cause harm to the System and thereby lessen its value, you authorize us to operate your Office for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement. In our sole judgment, we may deem you incapable of operating the Office if, without limitation, you are absent or incapacitated by reason of illness or death; you have failed to pay when due or have failed to remove any and all liens or encumbrances of every kind placed upon or against your Office; or we determine that operational problems require that we operate your Office for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the Office as a going concern.

17.17 Step-In Rights – Duties of Parties

We shall keep in a separate account all monies generated by the operation of your Office, less the expenses of the Office, including reasonable compensation and expenses for our representatives as well as our other expenses incurred in exercising our rights pursuant to Sections 17.16 and 17.17. In the event of our exercise of the Step-In Rights**,** you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable attorneys' fees and costs incurred as a consequence of our exercise of the Step-In Rights. Nothing contained herein shall prevent us from exercising any other right which we may have under this Agreement, including, without limitation, termination.

ARTICLE 18
NOTICES AND PAYMENTS

All written notices, reports and payments permitted or required to be delivered by the provisions of this Agreement or the Brand Standards Manual will be deemed so delivered:

(a) at the time delivered by hand with confirmation receipt;

(b) with respect to the Royalty Fee and other amounts due, at the time we actually credit/debit your account (if we use electronic funds transfer for the Office);

(c) with respect to materials that we post on our intranet or similar electronic site for franchisees, at the time such materials are first accessible at the site;

(d) one (1) business day after being placed in the hands of a commercial courier service for next business day delivery and must be addressed to the party to be notified at its most current principal business address of which the notifying party has notice. Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before then) will be deemed delinquent; or

(e) with respect to notices to you of any breach of this Agreement, one (1) business day after being placed in the hands of a commercial courier service for next business day delivery or by Certified Mail, Return Receipt Requested.

Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein shall be in writing and signed by the party giving the same. The addresses for notification are as set forth in the introductory paragraph of this Agreement, unless and until a different address has been designated by written notice to the other party.

ARTICLE 19
SECURITY INTERESTS

19.1 Collateral

You grant to us a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage, and realty (including your interests under all real property and personal property leases) of the Office, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Office. All items in which a security interest is granted are referred to as the "Collateral".

19.2 Indebtedness Secured

The Security Interest is to secure payment of the following (the "Indebtedness"):

19.2.1 All amounts due under this Agreement or otherwise by you;

19.2.2 All sums which we may, at our option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness;

19.2.3 All expenses, including reasonable attorneys' fees, which we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting our rights under the Security Interest and this Agreement; and

19.2.4 All other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of you to us or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not you execute any extension agreement or renewal instruments.

19.2.5 Our security interest, as described herein, shall be subordinated to any financing related to your operation of the Office, including, but not limited to, a real property mortgage and equipment leases.

19.3 Additional Documents

You will from time to time as required by us join with us in executing any additional documents and one (1) or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to us.

19.4 Possession of Collateral

Upon default and termination of your rights under this Agreement, we shall have the immediate right to possession and use of the Collateral.

19.5 Our Remedies in Event of Default

You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and

you shall have the rights and duties of a debtor under, the Uniform Commercial Code of New York (or other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by us in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above.

19.6 Special Filing as Financing Statement

This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

The parties have executed and delivered this Agreement effective on the date stated on the first page above.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
ATC HEALTHCARE SERVICES, LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

ATTACHMENT 1 TO THE FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP INTERESTS IN FRANCHISEE/ENTITY

Name	Percentage of Ownership

ATTACHMENT 2 TO THE FRANCHISE AGREEMENT

SITE AND TERRITORY

1. The Site of the Office will be located at (to be filled in subsequent to the acquisition of the Franchise Territory as per paragraph 2.1 of the Franchise Agreement):

2. The Territory shall be:

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

FRANCHISOR:
ATC HEALTHCARE SERVICES, LLC

By:_____
Name:_____
Title:_____

ATTACHMENT 3 TO THE FRANCHISE AGREEMENT

INTERNET ADVERTISING, SOCIAL MEDIA AND TELEPHONE ACCOUNT AGREEMENT

THIS INTERNET ADVERTISING, SOCIAL MEDIA AND TELEPHONE ACCOUNT AGREEMENT (the "Agreement") is made and entered into this day of _____ (the "Effective Date"), by and between ATC Healthcare Services, LLC, a Georgia limited liability company (the "Franchisor"), and _____, a _____, and _____ _____'s Principal, _____, an individual (jointly, "Franchisee").

WHEREAS, Franchisee desires to enter into a franchise agreement with Franchisor for an ATC Healthcare Services business ("Franchise Agreement") which will allow Franchisee to conduct internet-based advertising, maintain social media accounts, and use telephone listings linked to the ATC Healthcare Services brand.

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions**

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **Internet Advertising and Telephone Accounts**

2.1 Interest in Websites, Social Media Accounts and Other Electronic Listings. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet websites, and the right to hyperlink to certain websites and listings on various internet search engines (collectively, "Electronic Advertising") related to the Office or the Marks.

2.2 Interest in Telephone Numbers and Listings. Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the "Telephone Listings") related to the Office or the Marks.

2.3 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, social media companies, and other listing agencies (collectively, the "Internet Companies") with which Franchisee has Electronic Advertising: (i) to transfer all of Franchisee's interest in such Electronic Advertising to Franchisor; and (ii) to execute such documents and take such actions as may be necessary

to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic Advertising, Franchisee will immediately direct the Internet Companies to terminate such Electronic Advertising or will take such other actions with respect to the Electronic Advertising as Franchisor directs; and

2.3.2 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has Telephone Listings: (i) to transfer all Franchisee's interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

2.4 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.4.1 Direct the Internet Companies to transfer all Franchisee's interest in and to the Electronic Advertising to Franchisor, or alternatively, to direct the Internet Companies to terminate any or all of the Electronic Advertising;

2.4.2 Direct the Telephone Companies to transfer all Franchisee's interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee's interest.

2.5 Certification of Termination. Franchisee hereby directs the Internet Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.6 Cessation of Obligations. After the Internet Companies and the Telephone Companies have duly transferred all Franchisee's interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and/or Telephone Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

3. **Miscellaneous**

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's interest in any matter hereunder.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and attachments and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Agreement shall survive the Termination of the Franchise Agreement.

3.8 Governing Law. This Agreement shall be governed by and construed under the laws of the State of New York, without regard to the application of New York conflict of law rules.

-Remainder of Page Intentionally Blank-

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
ATC HEALTHCARE SERVICES, LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

ATTACHMENT 4 TO THE FRANCHISE AGREEMENT

SPOUSAL GUARANTY

This Guaranty and Covenant (this "Guaranty") is given by the undersigned ("Guarantor") on ____ _____ (the "Effective Date"), to ATC Healthcare Services, LLC, a Georgia limited liability company ("Franchisor"), in order to induce Franchisor to enter into that certain Franchise Agreement dated on or about the Effective Date hereof (the "Franchisee Agreement") with _____ _____, a(n) _____ _____, _____ and _____(collectively "Franchisee").

Guarantor acknowledges that Guarantor is the spouse of Franchisee's Principal, as that term is used in the Franchise Agreement.

Guarantor acknowledges that Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty is in partial consideration for, and a condition to the granting of, the rights granted in the Franchise Agreement to Franchisee, and that Franchisor would not have granted these rights without the execution of this Guaranty by Guarantor.

Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Articles 6 and 7 and Sections 15.3 and 15.4 of the Franchise Agreement ("Guaranteed Obligations"). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.

This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty shall not be discharged by renewal of any claims guaranteed by this instrument, change in ownership or control of the Franchisee entity, transfer of the Franchise Agreement, the suffering of any indulgence to any debtor, extension of time of payment thereof, nor the discharge of Franchisee by bankruptcy, operation of law or otherwise. Presentment, demand, protest, notice of protest and dishonor, notice of default or nonpayment and diligence in collecting any obligation under any agreement between Franchisee and Franchisor are each and all waived by Guarantor and/or acknowledged as inapplicable. Guarantor waives notice of amendment of any agreement between Franchisee and Franchisor and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Franchisor.

Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.

If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability shall be joint and several to that of Guarantor.

Until all of the Guaranteed Obligations have been paid in full and/or performed in full, Guarantor shall not have any right of subrogation, unless expressly given to Guarantor in writing by Franchisor.

All Franchisor's rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between Franchisor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Franchisor by law.

Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

This Guaranty shall extend to and inure to the benefit of Franchisor and its successors and assigns and shall be binding on Guarantor and its successors and assigns.

Guarantor has signed this Guaranty as of the date set forth above.

GUARANTOR - SPOUSE OF FRANCHISEE'S PRINCIPAL:

_____

Signature

Name:_____

Address:_____

_____

_____

ATTACHMENT 5 TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Confidentiality and Non-Compete Agreement (the "Agreement") is made and entered into this day of _____, by _____, a(n) _____ _____ ("Franchisee"), a franchisee of ATC Healthcare Services, LLC, a Georgia limited liability company ("Franchisor"), and _____, an individual ("Covenantor"), in connection with a Franchise Agreement dated _____.

WHEREAS, Franchisee and Franchisor are parties to a franchise agreement dated _____ _____ (the "Franchise Agreement"), whereby Franchisor has granted Franchisee the right to use certain trademarks, including, trademark "ATC" and design mark, and certain proprietary products, services, promotions and methods (the "System") for the establishment and operation of an ATC Healthcare Services franchise (the "Franchised Business");

WHEREAS, in connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the confidential information, knowledge, know-how, techniques, contents of the ATC Healthcare Services Brand Standards Manual and other materials used in or related to the System and/or concerning the methods of operation of the System (collectively referred to as "Confidential Information");

WHEREAS, the Confidential Information provides economic advantages to Franchisor and licensed users of the System, including Franchisee;

WHEREAS, Franchisee has acknowledged the importance of restricting the use, access and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and further protecting the System against unfair competition; and

WHEREAS, Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

1. **Confidentiality Agreement.**

   a. Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of his or her employment by or association with Franchisee in connection with the operation of a Franchised Business under the Franchise Agreement.

   b. Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor's express written permission.

   c. Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except, and only then to the limited extent necessary, to those employees of Franchisee for training and assisting such employees in the operation of the Franchised Business.

d. Covenantor shall surrender any material containing some or all of the Confidential Information to Franchisee or Franchisor, upon request, or upon termination of employment or association with Franchisee.

e. Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.

f. Covenantor agrees that no Confidential Information may be reproduced, in whole or in part, without written consent.

2. <u>Covenants Not to Compete</u>.

a. In order to protect the goodwill and unique qualities of the System, and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor further agrees and covenants that during Covenantor's employment or association with Franchisee, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business, customer, vendor or referral source of the Franchised Business or of other ATC Healthcare Services franchisees in the System to any competitor, by direct or indirect inducement or otherwise, or

(ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any recruiting or staffing business similar to the System.

b. In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the goodwill and unique qualities of the System, Covenantor further agrees and covenants that, upon the termination of Covenantor's employment or association with Franchisee and continuing for three (3) years thereafter, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business, customer, vendor or referral source of the Franchised Business or of other franchisees in the ATC Healthcare Services System to any competitor, by direct or indirect inducement or otherwise, or

(ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any recruiting or staffing business similar to the System within seventy-five (75) miles outside of the boundaries of the Franchisee's Territory or within seventy-five (75) miles of any ATC Healthcare Services business location.

c. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor.

d. If the period of time or the geographic scope specified Section 2.b. above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement or any portion thereof, without Covenantor's or

Franchisee's consent, effective immediately upon receipt by Covenantor of written notice thereof, and Covenantor agrees to forthwith comply with any covenant as so modified.

3. General.

a. Franchisee shall take full responsibility for ensuring that Covenantor acts as required by this Agreement.

b. Covenantor agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisee is obligated to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that are made available to it at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

c. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.

d. Any failure by Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.

e. THIS AGREEMENT SHALL BE INTERPRETED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF OR HERSELF TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS OF THE STATE OF NEW YORK. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON COVENANTOR IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY THE LAWS OF SUCH STATE OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN THE STATE OF NEW YORK; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

f. The parties agree that each of the foregoing covenants contained herein shall be construed as independent of any other covenant or provision of this Agreement.

g. Covenantor acknowledges and agrees that each of the covenants contained herein will not impose any undue hardship on Covenantor since Covenantor has other considerable skills, experience and education which affords Covenantor the opportunity to derive income from other endeavors.

h. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

i. All notices and demands required to be given hereunder shall be in writing and shall be delivered personally or by certified or registered mail, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or the date delivery is refused. All such notices shall be addressed to the party to be notified at the following addresses:

If directed to Franchisee:

_____

_____

If directed to Covenantor:

_____

_____

Any change in the foregoing addresses shall be effected by giving written notice of such change to the other parties.

j. Franchisor is an intended third-party beneficiary of this Agreement, and Franchisor may take whatever action it deems necessary to enforce Covenantor's obligations hereunder. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successors and assigns.

k. The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without the prior written consent of Franchisor.

The undersigned have entered into this Confidentiality and Non-Compete Agreement as witnessed by their signatures below.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

COVENANTOR:

_____

Name:_____

ATTACHMENT 6 TO THE FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned ("Assignor") assigns, transfers and sets over to ATC Healthcare Services, LLC., a Georgia limited liability company ("Assignee"), all of Assignor's right and title to and interest in that certain "Lease" a copy of which is attached as Exhibit A respecting premises commonly known as _____. This assignment is for collateral purposes only and except as specified in this document Assignee will have no liability or obligation of any kind whatsoever arising from or in connection with this assignment or the Lease unless and until Assignee takes possession of the premises the Lease demises according to the terms of this document and assumes Assignor's obligations under the Lease.

Assignor represents and warrants to Assignee that it has full power and authority to assign the Lease and that Assignor has not previously assigned or transferred and is not otherwise obligated to assign or transfer any of its interest in the Lease or the premises it demises.

Upon Assignor's default under the Lease or under the "Franchise Agreement" for an ATC Healthcare Services business between Assignee and Assignor or in the event Assignor defaults under any document or instrument securing the Franchise Agreement Assignee has the right to take possession of the premises the Lease demises and expel Assignor from the premises. In that event Assignor will have no further right and title to or interest in the Lease but will remain liable to Assignee for any past due rental payments or other charges Assignee is required to pay Lessor to effectuate the assignment this document contemplates.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without Assignee's prior written consent. Throughout the term of the Franchise Agreement Assignor agrees that it will elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days before the last day upon which the option must be exercised unless Assignee agrees otherwise in writing. Upon Assignee's failure to agree otherwise in writing and upon Assignor's failure to elect to extend or renew the Lease as required Assignor appoints Assignee as its true and lawful attorney-in-fact with the authority to exercise the extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting the extension or renewal.

ASSIGNEE: ATC HEALTHCARE SERVICES, LLC.	ASSIGNOR: _____
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

CONSENT TO COLLATERAL ASSIGNMENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the Lease:

(a) Agrees to notify Assignee in writing of and upon Assignor's failure to cure any default by Assignor under the Lease;

(b) Agrees that Assignee will have the right, but not the obligation, to cure any default by Assignor under the Lease within thirty (30) days after Lessor's delivery of notice of the default under section (a) above;

(c) Consents to the Collateral Assignment and agrees that if Assignee takes possession of the premises the Lease demises and confirms to Lessor that it has assumed the Lease as tenant, Lessor will recognize Assignee as tenant under the Lease, provided that Assignee cures within the thirty (30) day period noted in section (b) above Assignor's defaults under the Lease; and

(d) Agrees that Assignee may further assign the Lease to or enter into a sublease with a person, firm or corporation who agrees to assume the tenant's obligations under the Lease and is reasonably acceptable to Lessor and that upon that assignment Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise, other than to certify that the additional assignee or sublessee operates the premises the Lease demises as an ATC Healthcare Services business.

Dated:_____

_____

_____, Lessor

ATTACHMENT 7 TO THE FRANCHISE AGREEMENT

CONVERSION ADDENDUM

This conversion addendum to the Franchise Agreement ("Addendum") dated, made and entered into this day of _____, by and between ATC Healthcare Services, LLC, a Georgia limited liability company, with its principal place of business at 1983 Marcus Avenue, Suite E-122, New Hyde Park, New York, 11042 (herein referred to as "we", "us", "our" or "Franchisor"), and _____, a(n) _____, whose principal address is _____, and its Principal(s), _____, an individual, residing at _____, and _____, an individual, residing at _____ (collectively referred to herein as "you" or "your" or "Conversion Franchisee").

W I T N E S S E T H:

WHEREAS, Franchisor and Conversion Franchisee have this day of _____, entered into a certain franchise agreement (the "Franchise Agreement") for an ATC Healthcare Services business located at _____ (the "Approved Location");

WHEREAS, Conversion Franchisee has previously operated a medical professional temporary and permanent staffing solutions to healthcare facilities business not affiliated with ATC Healthcare Services, LLC at the Approved Location, which practice offered for sale similar services and products to those services and products offered for sale at ATC Healthcare Services businesses;

WHEREAS, Conversion Franchisee desires to convert Conversion Franchisee's previous staffing solutions practice to an ATC Healthcare Services business under the Franchisor's System and Proprietary Marks (as those terms are defined in the Franchise Agreement);

WHEREAS, the parties seek to amend the terms of the Franchise Agreement as set forth in this Addendum for the purpose of converting Conversion Franchisee's previous business to an ATC Healthcare Services business; and

WHEREAS, Conversion Franchisee has thoroughly reviewed this Addendum, the Franchise Agreement, and Franchisor's Franchise Disclosure Document and has had adequate opportunity to be thoroughly advised of the terms and conditions of those documents; understands and accepts the terms, conditions, and covenants herein contained as being reasonably necessary to Franchisor's high standards of quality, appearance, and service.

NOW, THEREFORE, in consideration of the mutual covenants and commitments herein contained, the parties hereby agree as follows:

1. Section 2.1 titled "Approved Site and Lease" is hereby deleted and replaced with "Intentionally Omitted."

2. Section 3.2 of the Franchise Agreement is hereby amended by adding the following language at the end of the Section:

   "Conversion Franchisee shall retain sixty-five percent (65%) of Gross Margin for "existing business" for a period of two (2) years.

The definition of "existing business" shall be as follows:

"Existing Business" shall be determined by reviewing the sales by the conversion franchisee for the previous year from his existing business. That amount shall be confirmed by sales from existing accounts in the first three (3) months subsequent to the conversion. If sales in the first three (3) months subsequent to the conversion, on an annualized basis, are equal to or exceed the provisional sales figure (*the sales by the conversion franchisee for the previous year from his existing business*), the sales figure shall be the provisional sales figure. If sales in the three (3) months subsequent to the conversion, on an annualized basis, do not equal or are less than the provisional sales amount, the sales figure shall be the three (3) month annualized amount.

For all revenues after the first two (2) years, Conversion Franchisee shall be permitted to retain fifty-five percent (55%) of Gross Margin.

The collection of Royalty Fees will begin when the Franchise Agreement is signed. You shall receive your first distributed balance payment forty-five (45) days after the first month in which you are open and operating as an ATC Healthcare Services business."

3. Conversion Franchisee shall install signage within thirty (30) days from when the Franchise Agreement is executed.

4. Section 9.5 "Initial Marketing Fee" is hereby deleted in its entirety.

5. Section 9.6 "Website" shall be amended by adding the following new subsection at the end thereof:

"9.6.7 If you have a website for your existing business as of the date of the Franchise Agreement, you understand and agree that (a) you shall convert your website to an ATC Website and update your domain to be an ATC domain when your Office opens, (b) your Website will be hosted by our hosting facility, (c) our IT employees will be given access to update/modify your Website, (d) your existing website will direct all clients to the ATC Website and your existing domain will forward to the new ATC domain (e) your existing website will shut down not later than sixty (60) days after your Office opens.

6. This Addendum constitutes an integral part of the Franchise Agreement between the parties hereto, and the terms of this Addendum shall be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed. Unless otherwise defined herein, all defined terms in this Addendum have the same meaning as the defined terms in the Franchise Agreement.

The parties hereto have duly executed, sealed, and delivered this Addendum on the day and year first above written.

CONVERSION FRANCHISEE:
_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
ATC HEALTHCARE SERVICES, LLC

By:_____
Name:_____
Title:_____

PRINCIPALS:

_____
Name:_____

_____
Name:_____

ATTACHMENT 8 TO THE FRANCHISE AGREEMENT
ELECTRONIC TRANSFER FORM

ENTITY TBD, a STATE ENTITY TYPE – _____ (EIN Number)

The undersigned depositor ("**Depositor**") hereby authorizes ATC Healthcare Services, LLC ("**Franchisor**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("**Depository**") to debit or credit such account(s) pursuant to Franchisor's instructions.

_____	_____
Depository	Branch
_____	_____
City	State and Zip Code
_____	_____
Bank Transit/ABA Number	Account Number

This authorization is to remain in full and force and effect until sixty (60) days after Franchisor notifies the Depository in writing that this authorization is approved for revocation.

FRANCHISEE:

_____

By:_____
Name:_____
Title:_____

QB\100530096.1

EXHIBIT D TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

ATC HEALTHCARE, INC.
AND SUBSIDIARIES

FINANCIAL STATEMENTS

YEARS ENDED
SEPTEMBER 30, 2025 AND 2024

HOBERMAN & LESSER

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ATC HEALTHCARE, INC. AND SUBSIDIARIES

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
ATC Healthcare, Inc.
New York, New York

Opinion

We have audited the accompanying consolidated financial statements of ATC Healthcare, Inc. and Subsidiaries (the "Company") which comprise the consolidated balance sheets as of September 30, 2025 and 2024, and the related consolidated statements of operations, stockholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ATC Healthcare, Inc. and Subsidiaries as of September 30, 2025 and 2024, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Hoberman + Lesser CPA's, LLP

New York, New York
December 23, 2025

ATC HEALTHCARE, INC. AND SUBSIDIARIES

Consolidated Balance Sheets
As of September 30, 2025 and 2024
(Dollars in Thousands)

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 26,095	$ 19,913
Accounts receivable, net of allowance for credit losses of $1,204 and $1,379	15,234	14,520
Notes receivable - franchisees	361	120
Other receivables		1,400
Prepaid expenses and other current assets	1,653	3,621
Total Current Assets	43,343	39,574
Fixed assets, net	33	81
Notes receivable - officers	5,833	5,422
Notes receivable - franchisees	1,248	502
Workers' compensation collateral		4,837
Other assets	867	338
Right-of-use asset	190	557
Intangible assets, net	498	265
Goodwill	4,379	4,379
Total Assets	$ 56,391	$ 55,955
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 596	$ 1,001
Accrued expenses and other current liabilities	12,371	10,788
Operating lease liabilities	185	399
Total Current Liabilities	13,152	12,188
Operating lease liabilities	23	208
Other liabilities	992	238
Total Liabilities	14,167	12,634
Commitments and Contingencies		
Stockholders' Equity		
Class A common stock - $.01 par value; 320,000,000 shares authorized; 236,871,594 and 232,871,594 shares issued and outstanding	2,368	2,328
Class B common stock - $.01 par value; 1,554,936 shares authorized; 166,158 shares issued and outstanding	2	2
Additional paid-in capital	34,470	34,124
Retained earnings	5,384	6,867
Total Stockholders' Equity	42,224	43,321
Total Liabilities and Stockholders' Equity	$ 56,391	$ 55,955

See notes to consolidated financial statements.

ATC HEALTHCARE, INC. AND SUBSIDIARIES

Consolidated Statements of Operations
Years Ended September 30, 2025 and 2024
(Dollars in Thousands)

	2025	2024
Revenues		
Service revenues	$141,956	$141,730
Costs and Expenses		
Service costs	100,315	101,524
Franchise fees and licensee royalty expenses	21,326	21,073
General and administrative expenses	19,207	17,352
Depreciation and amortization	85	72
Total Costs and Expenses	140,933	140,021
Income from Operations	1,023	1,709
Other Income (Expense)		
Interest income	1,181	877
Interest expense	(161)	(84)
Other income	480	221
Gain on investment		27
Litigation settlements, net of expenses	(254)	498
Total Other Income, Net	1,246	1,539
Income Before Provision for Income Taxes	2,269	3,248
Provision for Income Taxes	(1,380)	(1,100)
Net Income	$ 889	$ 2,148

See notes to consolidated financial statements.

ATC HEALTHCARE, INC. AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity
Years Ended September 30, 2025 and 2024
(Dollars in Thousands)

	Class A Common Stock Shares	Class A Common Stock Amount	Class B Common Stock Shares	Class B Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Total
Balance – October 1, 2023	232,871,594	$2,328	166,158	$2	$34,122	$4,719	$41,171
Stock-based compensation					2		2
Net income						2,148	2,148
Balance – September 30, 2024	232,871,594	2,328	166,158	2	34,124	6,867	43,321
Stock-based compensation					26		26
Options exercised	4,000,000	40			320		360
Dividends paid						(2,372)	(2,372)
Net income						889	889
Balance – September 30, 2025	236,871,594	$2,368	166,158	$2	$34,470	$5,384	$42,224

See notes to consolidated financial statements.

ATC HEALTHCARE, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)
Years Ended September 30, 2025 and 2024
(Dollars in Thousands)

	2025	2024
Cash Flows from Operating Activities		
Net income	$ 889	$ 2,148
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation and amortization	125	72
Stock-based compensation	26	2
Provision for credit losses	(175)	231
Interest accrued on notes receivable, officers	(213)	(203)
Interest accrued on notes receivable, franchisee	(20)	
Adjustment to right-of-use asset and operating lease liabilities	(32)	(22)
Gain from former investment		(27)
Forgiveness of debt	29	
Changes in Operating Assets and Liabilities		
Accounts receivable	(539)	6,761
Prepaid expenses and other current assets	2,121	1,263
Other receivables	1,400	4,263
Workers' compensation collateral	4,837	(4,837)
Other assets	(529)	(213)
Accounts payable and accrued expenses	1,004	(1,867)
Other liabilities	538	141
Net Cash Provided by Operating Activities	9,461	7,712
Cash Flows from Investing Activities		
Capital expenditures		(19)
Proceeds from former investment		27
Net Cash Provided by Investing Activities		8
Cash Flows from Financing Activities		
Collection of notes receivable - franchisees	198	365
Issuance of notes receivable - franchisees	(1,194)	
Issuance of notes receivable - officers	(360)	
Financing costs incurred	(208)	
Exercise of stock options	360	
Proceeds from notes payable	400	
Repayment of note payable	(103)	
Dividends paid on common stock	(2,372)	
Net Cash (Used in) Provided by Financing Activities	(3,279)	365
Net Increase in Cash and Cash Equivalents	6,182	8,085
Cash and Cash Equivalents– Beginning of year	19,913	11,828
Cash and Cash Equivalents – End of Year	$26,095	$19,913

See notes to consolidated financial statements.

ATC HEALTHCARE, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)
Years Ended September 30, 2025 and 2024
(Dollars in Thousands)

	2025	2024
Supplemental Disclosure of Cash Flow Information:		
Interest paid	$6	$7
Income taxes paid	$490	$629
Operating leases paid	$401	$417
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Conversion of related party receivables in connection with acquisition of franchise rights (intangible asset)	$259	

See notes to consolidated financial statements.

1. Organization

ATC Healthcare, Inc. (the "Parent") through its wholly-owned subsidiaries (collectively the "Company") provide temporary (predominantly healthcare) staffing services including per diem, short-term contracts and travel nurses throughout the United States. The Company services hospitals, government facilities and other entities. The Company offers a skills list of qualified health care associates in various job categories ranging from the highest level of specialty nurse, including critical care, neonatal, labor and delivery, to medical administrative staff. The Company also provides non-medical care to the elderly and others who require assistance with their daily living needs.

In September 2017, the Parent, along with its board of directors, determined to effect a restructuring of the then existing company. Accordingly, on September 20, 2017, each of the Parent's former wholly-owned subsidiaries, entered into a separate Plan of Conversion to Limited Liability Company Agreement (the "Plan of Conversion"). Pursuant to each respective Plan of Conversion each wholly-owned subsidiary was converted to a limited liability company (the "Converted Limited Liability Company"), and upon the conversion effective date, all shares of stock of the subsidiary held by the Parent were converted to an aggregate 100% membership interest in the respective limited liability company.

In connection with the restructuring, the membership interest in each of the operating Converted Limited Liability Companies was contributed to two newly formed single member limited liability companies owned by two other newly formed holding limited liability companies, owned principally by the Parent and certain executives of the Parent.

In connection with the restructuring, the Parent also entered into separate Limited Liability Company Agreements (the "LLC Agreements") with each of the two newly formed holding limited liability companies. Pursuant to the LLC Agreements, profit or loss from the operations of the limited liability companies are to be allocated 100% to the Parent until such time there is a capital transaction, as defined, in the LLC Agreements.

The conversion effective date was October 1, 2017.

2. Summary of Significant Accounting Policies

Consolidation

The consolidated financial statements include the accounts of the Parent and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

The Company maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. The Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

2. Summary of Significant Accounting Policies (Continued)

Accounts Receivable and Allowance for Credit Losses

The Company records accounts receivable at the invoiced amounts. Accounts receivable are non-interest bearing. The Company's customers are primarily health care providers and third-party administrators. The Company determines the need for an allowance for credit losses, and writes off specific accounts based on an ongoing review of collectability as well as past experience with the customer (See Note 3).

Revenue Recognition

The majority of the Company's service revenues are derived from a form of franchising under which independent companies or contractors ("licensees") represent the Company within a designated territory. These licensees assign Company medical staffing personnel to service clients under the Company's contracts, trade names and service marks. The Company pays and distributes the payroll for the direct service personnel who are all employees of the Company. The Company administers all payroll withholdings and payments, bills the customers and receives and processes the accounts receivable.

The revenues and related direct costs are included in the Company's service revenues and service costs. The licensees are responsible for providing an office and paying related expenses for administration including rent, utilities and costs for administrative personnel.

In connection with its healthcare and administrative staffing operations the Company pays a monthly royalty to its licensees based on a defined formula of gross margin generated. Generally, the Company pays a licensee a percentage of gross margin ranging from 55% to 70%.

In connection with its non-medical staffing operations for the elderly and others, the Company pays a monthly royalty to its licensees based on a defined formula of revenue generated, generally approximately 91% of the net sales.

The Company sells individual franchises as well as territory agreements that grant the right to operate in designated areas. Revenue generated from the sale of individual franchise and territory agreements in the form of initial franchise fees, which are non-refundable, is generally recognized upon completion of training and any other services required of the Company as stipulated in the franchise agreement.

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Amounts received, net of expenses in connection with the sale of franchises or territories, are recorded as deferred revenue until earned. At September 30, 2025 and 2024, the Company had $569 and $159, respectively, of deferred revenue included in other liabilities in the accompanying consolidated balance sheets. The Company recorded revenue from net franchise fees of $579 and $288 for the years ended September 30, 2025 and 2024, respectively.

The Company recognizes revenue as the related services are provided to customers. The Company bills its customers an hourly rate for the services performed by its nurses and other health care professionals on a weekly, bi-weekly or monthly basis. Terms of payment are generally either due upon receipt of invoice or net 30 days. The Company recognizes franchise fee income upon the completion of training.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities in the consolidated financial statements. Actual results could differ from those estimates. The most significant estimates relate to the collectability of accounts receivable, obligations due under workers' compensation policies, professional liability, provision for income taxes, determination of a valuation allowance on net deferred tax assets, and the determination of estimates used in the impairment analysis of goodwill and other intangible assets.

Concentrations of Credit Risk

Concentrations of credit risk with respect to trade accounts receivable are limited due to the large number of customers and their dispersion across a number of geographic areas. However, essentially all trade receivables are concentrated in the hospital, government facilities and healthcare sectors, in the United States and, accordingly, the Company is exposed to their respective business, economic and location-specific variables. Although the Company does not currently foresee a concentrated credit risk associated with these receivables, repayment is dependent upon the financial stability of these industry sectors (See Note 17).

Fixed Assets

Fixed assets, consisting of equipment (primarily computer hardware and software), furniture and fixtures and leasehold improvements, are stated at cost and depreciated from the date placed into service over the estimated useful lives of the assets using the straight-line method. Leasehold improvements are amortized over the shorter of the lease term or estimated useful life of the improvement. Maintenance and repairs are charged to expense as incurred. Improvements that extend the life of the asset are capitalized.

2. Summary of Significant Accounting Policies (Continued)

Goodwill and Other Intangible Assets

Goodwill represents the excess of purchase price over the fair value of identifiable net assets of companies acquired. Goodwill and certain intangible assets with indefinite lives are not amortized. Instead, Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 350, *Intangibles – Goodwill and Other* (Topic 350) requires that these assets be reviewed for impairment annually (or more often if certain events occur which could impact their carrying value), and the Company's operations be formally identified into reporting units for the purpose of assessing impairments of goodwill and other intangible assets.

The Company assesses goodwill and other intangible assets for potential impairments at the end of each fiscal year. In evaluating these assets for impairment, the Company first assesses qualitative factors to determine whether it is more likely than not (that is, a likelihood of more than 50 percent) that the fair value of a reporting unit is less than its carrying amount. If the Company concludes that it is not more likely than not that the fair value of a reporting unit is less than its carrying value, then no further testing of the goodwill and other intangible assets assigned to the reporting unit is required. However, if the Company concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then the Company performs a two-step impairment test, as delineated in ASC 350, to identify potential impairment and measure the amount of impairment to be recognized, if any.

The Company performed annual impairment tests at September 30, 2025 and 2024 and determined no impairment exists.

As a result of the qualitative assessments, the Company determined that it is more likely than not that the fair value of the reporting units is greater than their carrying amounts and there was no impairment of goodwill and other intangible assets. No events or circumstances have occurred subsequent to September 30, 2025 that could impact the carrying value of goodwill or other intangible assets.

Workers' Compensation

The Company participates in a "captive" insurance program (the "Program") for its medical staffing operation and shares the burden of risk of workers' compensation claims with other participants of the Program. The Company is currently obligated to pay its insurance premiums under the Program. As of September 30, 2024 the Company provided cash collateral in the amount of $4,837 to fund a certain portion of its insurance premiums which, during the year ended September 30, 2025 was replaced by a letter of credit in the amount of $4,691 (See Note 8). The Company reimburses the captive (on a quarterly basis) for all claims paid by the captive on its behalf until the total difference between the premium paid and the actual premium has been paid. In addition, the Company is required to perform quarterly self-audits and remit any required premiums.

2. Summary of Significant Accounting Policies (Continued)

Workers' Compensation (Continued)

The Company periodically recognizes investment income or losses on its equity in the Program. The Company's share of profit participation for the years ended September 30, 2025 and 2024 amounted to $480 and $221, respectively. Zurich insurance company provides for excess re-insurance for all claims over $400 per occurrence, as well as aggregate coverage for overall claims borne by the group of companies that participate in the Program. The Company is responsible for all claims under $125. The Program also provides for risk sharing among the participants for infrequent claims between $125 and less than $400. In addition, included in accrued expenses and other current liabilities are workers' compensation premiums for prior years in which the Company is obligated for paying claims up to the amount of the premiums.

The Company estimates and records its expected workers' compensation losses for all open years.

Stock-Based Compensation

The Company measures and recognizes compensation awards for all stock option grants made to officers and employees, based on their fair value in accordance with FASB ASC 718 *"Compensation-Stock Compensation"*, which establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. A key provision of this statement is to measure the cost of employee services received in exchange for an award of equity instruments (including stock options) based on the grant-date fair value of the award. The cost will be recognized over the service period during which an employee is required to provide service in exchange for the award (i.e., the requisite service period or vesting period). The Company uses the Black-Scholes method for valuing its stock options.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740. Deferred tax liabilities and assets are determined based on the difference between the financial statement carrying amounts and the tax basis of assets and liabilities using the enacted statutory rates in effect at the balance sheet date. The Company records a valuation allowance to reduce its deferred tax assets when uncertainty regarding their realizability exists. The tax provision for the years ended September 30, 2025 and 2024 consists of federal, state and local income taxes representing taxes due to certain states and local jurisdictions.

In addition, the Company follows ASC 740 rules governing uncertain tax positions which provide guidance for recognition and measurement. ASC 740 prescribes a threshold condition that a tax position must meet for any of the benefits of the uncertain tax position to be recognized in the financial statements. It also provides accounting guidance on derecognition, classification and disclosure of these uncertain tax positions.

2. Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

US GAAP establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – Represents financial assets whose fair value is determined based upon observable quoted market prices for identical financial assets in active markets that the Company has the ability to access.

Level 2 – Represents financial assets whose fair value is determined based upon: quoted market prices for similar assets in active markets; quoted market prices for identical assets in inactive markets; inputs other than quoted market prices that are observable for the asset such as interest rates or yield curves; or other inputs derived principally from or corroborated from other observable market information.

Level 3 – Represents financial assets whose fair value is determined based upon inputs that are unobservable, including the Company's own determinations of the assumptions that a market participant would use in pricing the asset.

The Company considers its investments in the money market funds of approximately $25,431, as a Level 1 financial asset based on the net asset value of shares held by the Company at September 30, 2025.

The Company considers its investment in the captive, of approximately $787, as a Level 2 financial asset based on the net asset value provided by the captive's administrator.

There were no changes to the Company's valuation approach during the years ended September 30, 2025 and 2024.

Reclassification

Certain 2024 account balances have been reclassified to conform with the current year's presentation.

Recent Accounting Pronouncements

Management does not believe that any recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the Company's consolidated financial statements.

Events Occurring After Reporting Date

The Company has evaluated events and transactions that occurred between September 30, 2025 and December 23, 2025, which is the date the consolidated financial statements were available to be issued, for possible disclosure and recognition in the consolidated financial statements.

3. Current Expected Credit Losses

The Company adopted Accounting Standards Update ("ASU") 2016-13, *Financial Instruments – Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments* ("ASU 2026-13") effective October 1, 2023. The Company records an allowance for credit losses for its accounts receivable in accordance with the new current expected credit losses ("CECL") standard.

The CECL standard requires an entity to consider historical loss experience, current conditions, and a reasonable and supportable forecast of the economic environment. The Company utilizes a loss-rate method for estimating current expected credit losses. The loss rate method involves applying a loss rate to a pool of receivables with similar risk characteristics to estimate the expected credit losses on that pool of receivables. In determining the CECL allowance, the Company considers various factors including historical loss experience in its accounts receivable based on two separate pools of accounts receivable determined based on the classification of service type, and its current and future view of the macroeconomic environment.

Management estimates the allowance for credit losses using relevant information, from internal and external sources, relating to past events, current conditions and reasonable and supportable forecasts. The CECL allowance related to accounts receivable is presented within "Accounts receivable, net" in the Company's balance sheet, which is equal to the amount previously reflected as an allowance for doubtful accounts

The following table provides a reconciliation of the activity in the allowance for credit losses for accounts receivable:

	2025	2024
Balance, October 1	$1,379	$1,148
Provision for expected credit losses	22	566
Amounts written off against the allowance	(197)	(335)
Balance, September 30	$1,204	$1,379

4. Fixed Assets

Fixed assets consist of the following:

	Estimated Useful Life in Years	2025	2024
Computer equipment and software	3 to 5	$1,769	$1,769
Office equipment, furniture and fixtures	5	1,098	1,098
Telecommunications equipment and software	5	112	112
Leasehold improvements	5	112	112
		3,091	3,091
Less: accumulated depreciation and amortization		3,058	3,010
Total		$ 33	$ 81

Depreciation expense was $48 and $72 for the years ended September 30, 2025 and 2024, respectively.

5. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following:

	2025	2024
Prepaid insurance	$ 551	$ 286
Prepaid taxes	361	1,659
Other	741	1,676
Total	$1,653	$3,621

6. Other Receivables

Other receivables as of September 30, 2024 consist of amounts due the Company in connection with a litigation settlement (See Note 12).

7. Accrued Expenses And Other Current Liabilities

Accrued expenses and other current liabilities consist of the following:

	2025	2024
Payroll and related taxes, net	$3,887	$ 3,511
Royalty payable	4,692	4,284
Accrued workers compensation insurance	1,669	1,138
Accrued insurance	130	168
Accrued professional and service fees	547	797
Note payable	82	
Other	1,364	890
Total	$12,371	$10,788

8. Financing Arrangements

In April, 2025, the Company entered into a financing arrangement with Ocean First Bank, pursuant to a Revolving Credit Agreement (the "Agreement") providing for a credit facility (the "Credit Facility") consisting of a revolving loan and letters of credit in the maximum aggregate principal amount of $9,000. Advances under the Credit Facility are limited to 85% of eligible accounts receivable, as defined and, bear interest at SOFR plus 2.35%, with a minimum rate of 5.0%. The Agreement provides for a termination fee payable of .50% of the total facility amount if terminated before May 6, 2027. The Credit Facility is collateralized by all the assets of the Company, requires the Company to maintain a compensating balance in the amount of $1,000, requires the maintenance of certain financial and non-financial covenants and is also subject to a monthly unused line fee in the amount of .125%, as defined. As of September 30, 2025, there were no amounts due under the Credit Facility, and letters of credit outstanding amounted to $4,691.

9. Other Liabilities

Other liabilities consist of the following:

	2025	2024
Deferred revenue, net	$569	$159
Note payable	216	
Other liabilities	207	79
Total	$992	$238

10. Employee Retention Credit

During the year ended September 30, 2023, the Company, with the assistance of outside consultants, filed an application with the Internal Revenue Service ("IRS") for the Employee Retention Credit ("ERC"). The ERC, as originally enacted through the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") on March 27, 2020 and through subsequent Acts by Congress was a refundable credit against certain employment taxes equal to 50% of the qualified wages an eligible employer paid to employees during certain periods of the COVID pandemic.

The Company applied for and recognized ERCs in the aggregate amount of approximately $2,600 (exclusive of interest) and received approximately $1,900 during the year ended September 30, 2023. As of September 30, 2024, approximately $700 remained outstanding, which the Company collected during the year ended September 30, 2025.

10. Employee Retention Credit (Continued)

The ERC refund is not taxable; however, the Company was required to amend its tax returns to include the wage expense adjustments as gross income. Recent IRS guidance issued in March 2025 changed the rules for reporting an ERC refund received in a year subsequent to the year the wages were paid. Recipients who received an ERC refund in a year after the original tax year may now include the corresponding wage expense adjustment as gross income on their tax return for the year the refund was received. Accordingly, the Company's income tax returns for the year ended September 30, 2023 were amended resulting in an additional income tax liability of approximately $400 for the year ended September 30, 2025. The income tax liability related to the ERC amounts collected during the year ended September 30, 2025 are also included in the current year's tax provision.

The Company's eligibility is currently subject to audit by the IRS for a period of six years.

11. Income Taxes

The Company is subject to income taxes in the U.S. federal jurisdiction and various state and local jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply.

The Company reflects income tax related interest and penalties, if any, as other expense in the statement of operations.

The disproportionate relationship between the statutory rate and the Company's effective tax rate for the year ended September 30, 2025 is principally the result of the provision for income taxes relating to the Company's ERCs.

The Company's net deferred tax assets are comprised of the following:

	2025	2024
Current:		
Allowance for credit losses	$ 349	$ 386
Accrued expenses	737	616
Total Current Deferred Tax Assets	1,086	1,002
Long-Term:		
Basis of fixed assets and intangible assets	48	82
Total Long-Term Deferred Tax Assets	48	82
Total Deferred Tax Asset	1,134	1,084
Valuation Allowance	(1,134)	(1,084)
Deferred Tax Assets, Net	$ -0-	$ -0-

12. Commitments and Contingencies

Lease Commitments

The Company leases office facilities and certain equipment under operating leases that expire through 2028.

As a result of the adoption of ASU 842 on October 1, 2022, the Company recorded a right of use asset and corresponding operating lease liability of $1,300. As of September 30, 2025, the weighted average remaining lease term for the operating leases is approximately two years. The Company used a discount rate of 6.72% which it believed to be its incremental borrowing rate.

The Company has included its share of maintenance and utilities in the right-of-use asset and operating lease liability. Common area maintenance charges are expensed as incurred and not reflected in the right-of-use asset and operating lease liability.

The future aggregate minimum rental commitments under the non-cancelable operating leases as of September 30, 2025 are as follows:

Years Ending September 30,

2025	$190
2026	24
Total minimum lease payments	214
Less: Amount representing interest	(6)
Present Value of Net Minimum Lease Payments	208
Less: Current portion	(185)
Long-term Portion	$23

Rent expense amounted to approximately $484 and $439 for the years ended September 30, 2025 and 2024, respectively.

In May, 2025, the Company received notice from its landlord that it will have to vacate the premises by October 31, 2025 due to renovations being done to the building. The Company did not return to the premises at the conclusion of renovations and has since signed a new lease in a different building beginning in October, 2025.

In October, 2025, the Company moved into new premises pursuant to a six year three month operating lease agreement through December 31, 2031, with the annual base rent ranging from $220 to $263 during the lease period.

12. Commitments and Contingencies (Continued)

Lease Commitments (Continued)

The future aggregate minimum rental commitments under the non-cancelable operating lease for the new premises commencing October, 2025 are as follows:

Years Ending September 30,	
2026	$ 220
2027	227
2028	233
2029	240
2030	248
Thereafter	321
Total minimum lease payments	$1,489

Employment Agreements

In November 2002, the Company entered into amended employment agreements with two of its officers, under which they currently receive annual base salaries of $593 and $453, respectively. The employment agreements are automatically extended at the end of each fiscal year and are terminable by the Company. During the year ended September 30, 2025, the officers, with consent of the Board of Directors, determined to exercise their right to receive retroactive cost of living salary adjustments for prior years totaling $962.

If a “change of control” (as defined in the agreements) were to occur and cause the respective employment agreements to terminate, the Company would be required to make lump sum severance payments of $904 and $1,205, respectively, to certain officers who amended their employment contracts in November 2002.

Litigation

In the ordinary course of its business, the Company may be subject to various claims and legal proceedings covering a wide range of matters that typically relate to payroll, contract, and employment-related matters. These matters may sometimes include individual and collective lawsuits and inquiries and investigations by governmental agencies regarding the Company’s employment practices. Management and legal counsel periodically review the probable outcome of such proceedings, the costs and expenses reasonably expected to be incurred, and the availability and extent of insurance coverage and established reserves.

While it is not possible at this time to predict the outcome of all legal actions, in the opinion of management, based on their reviews and the likely disposition of the actions, these matters will not have a material effect on the Company’s financial position, results of operations or cash flows.

13. Stockholders' Equity (Continued)

Other Matters

During the year ended September 30, 2024, the Company, as plaintiff, was involved in litigation against its former software provider alleging, among other things, breach of contract, fraudulent misrepresentation, inducement and concealment. The software provider asserted a breach of contract counterclaim. On October 1, 2024, the litigation was settled in the Company's favor wherein the software provider agreed to pay the Company $1,400, which the Company received on November 15, 2024. The Company incurred approximately $900 in costs in connection with the litigation. The settlement amount net of the related costs is reflected as other income in the accompanying statement of operations for the year ended September 30, 2024.

Common Stock Class A

In January 2015, pursuant to a Restated Certificate of Incorporation, the Company increased its authorized Class A Common Stock from 200,000,000 to 320,000,000 shares.

Voting Rights

A holder of Class B Common Stock is entitled to ten votes for each share and each share is convertible into one share of Class A Common Stock (and will automatically convert into one share of Class A Common Stock upon transfer subject to certain limited exceptions). Except as otherwise required by the Delaware General Corporation Law, all shares of common stock vote as a single class on all matters submitted to a vote by the shareholders.

Stock Options

In February 2020, the Board of Directors granted two of the Company's executive officers a total of 10,000,000 stock options exercisable for Class A Common Stock of the Company with an exercise price of $.09 per share. The shares vest as follows: 2,000,000 shares on the grant date, 2,000,000 on each of the first, second, third and fourth anniversaries of the grant date.

In June 2025, the Board of Directors granted two of the Company's executive officers a total of 10,000,000 stock options exercisable for Class A Common Stock of the Company with an exercise price of $.13 per share. The shares vest as follows: 2,000,000 shares on the grant date, 2,000,000 on each of the first, second, third and fourth anniversaries of the grant date.

The fair value of the options is equal to $85 based on the fair value method of accounting using the Black-Scholes Option-Pricing Model with the following assumptions: no dividends, risk-free interest rate of 3.79%, expected life of four years and volatility of 110%.

In June 2025, the Board of Directors granted another executive officer 500,000 stock options exercisable for Class A Common Stock of the Company with an exercise price of $.08 per share. The shares vest as follows: 100,000 shares on the grant date, 100,000 on each of the first, second, third and fourth anniversaries of the grant date.

13. Stockholders' Equity (Continued)

Stock Options
(Continued)

The fair value of the options is equal to $4 based on the fair value method of accounting using the Black-Scholes Option-Pricing Model with the following assumptions: no dividends, risk-free interest rate of 3.79%, expected life of four years and volatility of 110%.

In June 2025, the Board of Directors granted another executive officer 1,000,000 stock options exercisable for Class A Common Stock of the Company with an exercise price of $.08 per share. The shares vest as follows: 200,000 shares on the grant date, 200,000 on each of the first, second, third and fourth anniversaries of the grant date.

The fair value of the options is equal to $9 based on the fair value method of accounting using the Black-Scholes Option-Pricing Model with the following assumptions: no dividends, risk-free interest rate of 3.79%, expected life of four years and volatility of 110%.

During the years ended September 30, 2025 and 2024, the Company recorded $26 and $2 of stock based compensation expense, respectively, which is included in general and administrative expenses

The following table summarizes information about all stock options outstanding at September 30, 2025:

Options Outstanding						Options Exercisable			
Exercise Price	Beginning of Year Number Outstanding	Granted	Exercised	Cancelled	End of Year Number Outstanding	Weighted Remaining Contractual Life (in Years	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise
$0.08 - $0.13		11,500,000			11,500,000	3.75	$0.12	2,300,000	$0.12
$0.09	4,000,000		(4,000,000)						
	4,000,000	11,500,000	(4,000,000)		11,500,000		$0.12	2,300,000	$0.12

A summary of the Company's nonvested options outstanding as of September 30, 2025, and changes during the year ended is presented below:

	Options
Balance, October 1	-
Granted	11,500,000
Vested	(2,300,000)
Terminated	-
Balance, September 30	9,200,000

14. Employee 401(k) Savings Plan

The Company maintains an Employee 401(k) Savings Plan. The plan is a defined contribution plan that is administered by the Company. All regular, full-time employees are eligible for voluntary participation upon completing one year of service and having attained the age of 21. The plan provides for growth in savings through contributions and income from investments. It is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended. Plan participants are allowed to contribute a specified percentage of their base salary up to limits imposed by the Internal Revenue Service. Contributions to the plan by the Company are discretionary. During the years ended September 30, 2025 and 2024, the Company contributed $31 and $ 26 to the plan, respectively.

15. Licensee Financial Data

The Company's consolidated financial statements include service revenues and service costs associated with its licensees. Summarized below is the breakdown between licensee and Company generated items for the years ended September 30, 2025 and 2024.

	2025	2024
Company service revenue	$5,287	$ 671
Sale of franchises, net	579	288
Licensee service revenue	136,090	140,771
Total Service Revenue	$141,956	$141,730

	2025	2024
Company service costs	$ 4,514	$ 415
Licensee service costs	95,801	101,109
Total Service Costs	$100,315	$101,524

	2025	2024
Franchise fees	$10,341	$ 9,337
Licensee royalty, net	10,985	11,736
Total Franchise Fees and Licensee Royalty Expenses	$21,326	$21,073

16. Related Party Transactions

In August 2016, in connection with the funding of the exercise of a portion of their vested stock options, two executive officers entered into promissory note agreements with the Company in the aggregate amount of $243. The loans bear interest at the rate of 3% per annum, are unsecured and were due together with unpaid interest at the earliest of the third anniversary of the loans or a change in control of the Company, as defined in the agreement. In August 2019, the agreements were extended until December 31, 2024. In September 2024, the agreements were further extended until December 31, 2029. Interest income amounted to $7 for each of the years ended September 30, 2025 and 2024. Unpaid interest income amounted to $65 and $58 as of September 30, 2025 and 2024, respectively.

In August 2017, two executive officers entered into promissory note agreements with the Company in the aggregate amount of $250. The loans bear interest at the rate of 5% per annum, are unsecured and are due together with unpaid interest at the earliest of December 31, 2029 or a change in control of the Company, as defined in the agreement. Interest income amounted to $13 for each of the years ended September 30, 2025 and 2024. Unpaid interest income as of September 30, 2025 and 2024 amounted to $103 and $90, respectively.

In September 2017, the two executive officers entered into promissory note agreements with the Company in the aggregate amount of $131 in connection with the purchase of a 50% interest in a franchise. The loans bore interest at the rate of 3% per annum, were unsecured and were due together with unpaid interest at the earliest of December 31, 2029 or a change in control of the Company, as defined in the agreement. Interest income amounted to $2 and $4 for the years ended September 30, 2025 and 2024, respectively. In February 2025, the notes, along with other receivables, in the aggregate amount of $259 were forgiven in consideration for the termination of a management agreement between the Company and a related entity thereby principally eliminating the Company's commitment under the agreement.

In May 2019, the two executive officers entered into promissory note agreements with the Company in the aggregate amount of $3,000. The loans bear interest at the rate of 5% per annum and are unsecured. Interest accruing at the rate of 2.37% annually is payable each year on the anniversary date of the note. The remainder of the interest accruing on the notes together with the principal are due on the earliest of the twelfth anniversary of the notes, a change in control of the Company, as defined in the agreement, or the voluntary termination of the executive officers. Interest income amounted to $150 for each of the years ended September 30, 2025 and 2024. Unpaid interest amounted to $954 and $804 as of September 30, 2025 and 2024, respectively.

16. Related Party Transactions (Continued)

In January 2020, in connection with the funding of the exercise of a portion of their vested stock options, two executive officers entered into promissory note agreements with the Company in the aggregate amount of $189. The loans bear interest at the rate of 4% per annum, are unsecured and are due together with unpaid interest at the earliest of the ninth anniversary of the loans or a change in control of the Company, as defined in the agreement. Interest income amounted to $8 for each of the years ended September 30, 2025 and 2024. Unpaid interest amounted to $45 and $37 as of September 30, 2025 and 2024, respectively.

In May 2022, in connection with the funding of the exercise of a portion of their vested stock options, two executive officers entered into promissory note agreements with the Company in the aggregate amount of $540. The loans bear interest at the rate of 4% per annum, are unsecured and are due together with unpaid interest at the earlier of the tenth anniversary of the loans or a change in control of the Company, as defined in the agreement. Interest Income amounted to $22 for each of the years ended September 30, 2025 and 2024. Unpaid interest amounted to $75 and $53 as of September 30, 2025 and 2024, respectively.

In January 2025, in connection with the funding of the exercise of a portion of their vested options, two executive officers entered into promissory note agreements with the Company in the aggregate amount of $360. The loans bear interest at 5% per annum, are unsecured, and are due together with unpaid interest at the earliest of the sixth anniversary of the loans or a change of control of the Company, as defined in the agreement. Interest amounted to $12 for the year ended September 30, 2025 and remains unpaid.

The two executive officers and their family members own and operate four of the Company's franchises which provide other staffing services.

The following is a summary of the income and expenses of these four franchises for the years ended September 30:

	2025	2024
Service revenue	$6,815	$ 7,042
Service costs	4,921	4,930
Operating and royalty expenses	1,031	1,188
Net Income	$ 863	$ 924

16. Related Party Transactions (Continued)

As of September 30, 2025 and 2024, these franchises owe the Company approximately $248 and $88, respectively. The Company can also advance one of the franchises up to $85 bearing interest at 5% per annum.

In connection with the acquisition of a territory, the Company issued a non-interest bearing note receivable in the amount $150 to a company owned by two family members of the executives. As of September 30, 2025 and 2024 the loan balance amounted to $34 and $72, respectively.

In connection with the acquisition of an additional territory, the Company issued a non-interest bearing note receivable in the amount of $49 to a company owned by a family member of the executives. As of September 30, 2025, the entire note remains outstanding.

The Company provides management services to an entity owned by a family member of an officer. Revenue amounted to $120 for each of the years ended September 30, 2025 and 2024. As of September 30, 2025 and 2024 the related entity owed the Company $198 and $378, respectively.

The Company has engaged an entity owned by the son of an executive to provide consulting and selling services, and testing supplies. The aggregate amount of expense amounted to $268 and $230 for the years ended September 30, 2025 and 2024, respectively.

The Company employed family members of two of its executives during the years ended September 30, 2025 and 2024 and incurred aggregate compensation expense amounting to $1,304 and $1,182, respectively.

The Company engaged various family members of two of its executives to provide consulting services during the years ended September 30, 2025 and 2024 and incurred fees amounting to $114 and $173, respectively.

17. Concentrations

During the years ended September 30, 2025 and 2024, the Company did not have any one customer that had service revenues greater than 10% of the Company's total revenue.

During the year ended September 30, 2025, one of the Company's franchisees represented 10% of the Company's total revenue. During the year ended September 30, 2024, two of the Company's franchisees represented 26% of the Company's total revenue.

During the year ended September 30, 2025, the Company incurred royalty expense to two of its licensees including franchises under common control, which represented 23% of the Company's royalty and franchise expense. During the year ended September 30, 2024, the Company incurred royalty expense to three of its licensees including franchises under common control, which represented 32% of the Company's royalty and franchise expense..

ATC HEALTHCARE, INC.
AND SUBSIDIARIES

FINANCIAL STATEMENTS

YEARS ENDED
SEPTEMBER 30, 2024 AND 2023

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ATC HEALTHCARE, INC. AND SUBSIDIARIES

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
ATC Healthcare, Inc.
New York, New York

Opinion

We have audited the accompanying consolidated financial statements of ATC Healthcare, Inc. and Subsidiaries (the "Company") which comprise the consolidated balance sheets as of September 30, 2024 and 2023, and the related consolidated statements of operations, stockholders' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ATC Healthcare, Inc. and Subsidiaries as of September 30, 2024 and 2023, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



New York, New York
December 23, 2024

ATC HEALTHCARE, INC. AND SUBSIDIARIES

Consolidated Balance Sheets
As of September 30, 2024 and 2023
(Dollars in Thousands)

	2024	2023
Assets		
Current Assets		
Cash	$ 19,913	$ 11,828
Accounts receivable, less allowance for credit losses of $1,379 and $1,148	14,520	21,512
Notes receivable - franchisees	120	356
Other receivables	1,400	5,663
Prepaid expenses and other current assets	3,621	4,884
Total Current Assets	39,574	44,243
Fixed assets, net	81	134
Notes receivable - officers	5,422	5,219
Notes receivable - franchisees	502	631
Workers' compensation collateral	4,837	
Other assets	338	125
Right-of-use asset	557	899
Intangible assets	265	265
Goodwill	4,379	4,379
Total Assets	$ 55,955	$ 55,895
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 1,001	$ 790
Accrued expenses and other current liabilities	10,788	12,866
Operating lease liability	399	363
Total Current Liabilities	12,188	14,019
Operating lease liability	208	607
Other liabilities	238	98
Total Liabilities	12,634	14,724
Commitments and Contingencies		
Stockholders' Equity		
Class A common stock - $.01 par value; 320,000,000 shares authorized; 232,871,594 shares issued and outstanding	2,328	2,328
Class B common stock - $.01 par value; 1,554,936 shares authorized; 166,158 shares issued and outstanding	2	2
Additional paid-in capital	34,124	34,122
Retained earnings	6,867	4,719
Total Stockholders' Equity	43,321	41,171
Total Liabilities and Stockholders' Equity	$ 55,955	$ 55,895

See notes to consolidated financial statements.

ATC HEALTHCARE, INC. AND SUBSIDIARIES

Consolidated Statements of Operations
Years Ended September 30, 2024 and 2023
(Dollars in Thousands)

	2024	2023
Revenues		
Service revenues	$141,730	$173,723
Costs and Expenses		
Service costs	101,303	123,456
Franchise fees and licensee royalty expenses	21,073	24,231
General and administrative expenses	17,352	19,116
Depreciation and amortization	72	76
Total Costs and Expenses	139,800	166,879
Income from Operations	1,930	6,844
Other Income (Expense)		
Interest income	877	551
Interest expense	(84)	(450)
Employee Retention Credit, net		2,290
Gain on investment	27	185
Litigation settlement, net of expenses	498	
Total Other Income, Net	1,318	2,576
Income Before Provision for Income Taxes	3,248	9,420
Provision for Income Taxes	(1,100)	(1,853)
Net Income	$ 2,148	$ 7,567

See notes to consolidated financial statements.

ATC HEALTHCARE, INC. AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity
Years Ended September 30, 2024 and 2023
(Dollars in Thousands)

	Class A Common Stock		Class B Common Stock		Additional Paid-in	Retained Earnings (Accumulated	
	Shares	Amount	Shares	Amount	Capital	Deficit)	Total
Balance – October 1, 2022	232,871,594	$2,328	166,158	$2	$34,117	($ 2,848)	$33,599
Stock-based compensation					5		5
Net income						7,567	7,567
Balance – September 30, 2023	232,871,594	2,328	166,158	2	34,122	4,719	41,171
Stock-based compensation					2		2
Net income						2,148	2,148
Balance – September 30, 2024	232,871,594	$2,328	166,158	$2	$34,124	$ 6,867	$43,321

See notes to consolidated financial statements.

ATC HEALTHCARE, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
Years Ended September 30, 2024 and 2023
(Dollars in Thousands)

	2024	2023
Cash Flows from Operating Activities		
Net income	$ 2,148	$ 7,567
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation and amortization	72	76
Stock-based compensation	2	5
Provision for credit losses	231	(21)
Interest accrued on notes receivable, officers	(203)	(203)
Adjustment to right-of-use asset and operating lease liabilities	(22)	(11)
Gain from former investment	(27)	(185)
Changes in Operating Assets and Liabilities		
Accounts receivable	6,761	7,933
Prepaid expenses and other current assets	1,263	(2,392)
Other receivable	4,263	(5,663)
Workers' compensation collateral	(4,837)	
Other assets	(213)	14
Accounts payable and accrued expenses	(1,867)	(1,064)
Other liabilities	141	(847)
Net Cash Provided by Operating Activities	7,712	5,209
Cash Flows from Investing Activities		
Capital expenditures	(19)	(66)
Proceeds from former investment	27	235
Additional equity investment	-	(50)
Net Cash Provided by Investing Activities	8	119
Cash Flows from Financing Activity		
Collection of notes receivable - franchisees, net	365	158
Net Cash Provided by Financing Activity	365	158
Net Increase in Cash	8,085	5,486
Cash – Beginning of year	11,828	6,342
Cash – End of Year	$19,913	$11,828
Supplemental Data		
Interest paid	$7	$241
Income taxes paid	$629	$4,819
Cash paid for operating leases	$417	$407
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Establishment of right-of-use asset and operating lease liability	$ -	$1,300

See notes to consolidated financial statements.

1. Organization

ATC Healthcare, Inc. (the "Parent") through its wholly-owned subsidiaries (collectively the "Company") provide temporary (predominantly healthcare) staffing services including per diem, short-term contracts and travel nurses throughout the United States. The Company services hospitals, government facilities and other entities. The Company offers a skills list of qualified health care associates in various job categories ranging from the highest level of specialty nurse, including critical care, neonatal, labor and delivery, to medical administrative staff. The Company also provides non-medical care to the elderly and others who require assistance with their daily living needs. Finally, during the year ended September 30, 2020, the Company established a single member limited liability company ("ATC Testing and Screening") for the purpose of administering COVID-19 testing and screening, as well as vaccinations and, during the year ended September 30, 2023, this entity was also engaged in the distribution of COVID-19 OTC rapid tests in connection with the at home testing program of the Center for Medicare and Medicaid Services ("CMMS"). ATC Testing and Screening was inactive during the year ended September 30, 2024.

In September 2017, the Parent, along with its board of directors, determined to effect a restructuring of the then existing company. Accordingly, on September 20, 2017, each of the Parent's former wholly-owned subsidiaries, entered into a separate Plan of Conversion to Limited Liability Company Agreement (the "Plan of Conversion"). Pursuant to each respective Plan of Conversion each wholly-owned subsidiary was converted to a limited liability company (the "Converted Limited Liability Company"), and upon the conversion effective date, all shares of stock of the subsidiary held by the Parent were converted to an aggregate 100% membership interest in the respective limited liability company.

In connection with the restructuring, the membership interest in each of the operating Converted Limited Liability Companies was contributed to two newly formed single member limited liability companies owned by two other newly formed holding limited liability companies, owned principally by the Parent and certain executives of the Parent.

In connection with the restructuring, the Parent also entered into separate Limited Liability Company Agreements (the "LLC Agreements") with each of the two newly formed holding limited liability companies. Pursuant to the LLC Agreements, profit or loss from the operations of the Company is to be allocated 100% to the Parent until such time there is a capital transaction, as defined, in the LLC Agreements.

The conversion effective date was October 1, 2017.

2. Summary of Significant Accounting Policies

Consolidation

The consolidated financial statements include the accounts of the Parent and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Cash

The Company maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000.

2. Summary of Significant Accounting Policies (Continued)

Accounts Receivable and Allowance for Credit Losses

The Company records accounts receivable at the invoiced amounts. Accounts receivable are non-interest bearing. The Company's customers are primarily health care providers and third party administrators. The Company determines the need for an allowance for credit losses, and writes off specific accounts based on an ongoing review of collectability as well as past experience with the customer (See Note 3).

Revenue Recognition

The majority of the Company's service revenues are derived from a form of franchising under which independent companies or contractors ("licensees") represent the Company within a designated territory. These licensees assign Company medical staffing personnel to service clients under the Company's contracts, trade names and service marks. The Company pays and distributes the payroll for the direct service personnel who are all employees of the Company. The Company administers all payroll withholdings and payments, bills the customers and receives and processes the accounts receivable.

The revenues and related direct costs are included in the Company's service revenues and service costs. The licensees are responsible for providing an office and paying related expenses for administration including rent, utilities and costs for administrative personnel.

In connection with its healthcare and administrative staffing operations the Company pays a monthly royalty to its licensees based on a defined formula of gross margin generated. Generally, the Company pays a licensee a percentage of gross margin ranging from 55% to 70%.

In connection with its non-medical staffing operations for the elderly and others, the Company pays a monthly royalty to its licensees based on a defined formula of revenue generated, generally approximately 92% of the net sales.

The Company sells individual franchises as well as territory agreements that grant the right to operate in designated areas. Revenue generated from the sale of individual franchise and territory agreements in the form of initial franchise fees, which are non-refundable, is generally recognized upon completion of training and any other services required of the Company as stipulated in the franchise agreement.

Amounts received, net of expenses in connection with the sale of franchises or territories, are recorded as deferred revenue until earned. At September 30, 2024 and 2023, the Company had $159 and $ 70, respectively, of deferred revenue included in other liabilities in the accompanying consolidated balance sheets. The Company recorded revenue from net franchise fees of $ 288 and $1,452 for the years ended September 30, 2024 and 2023, respectively.

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

The Company recognizes revenue as the related services are provided to customers. The Company bills its customers an hourly rate for the services performed by its nurses and other health care professionals on a weekly, bi-weekly or monthly basis. Terms of payment are generally either due upon receipt of invoice or net 30 days. The Company recognizes franchise fee income upon the completion of training.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities in the consolidated financial statements. Actual results could differ from those estimates. The most significant estimates relate to the collectability of accounts receivable, obligations due under workers' compensation policies, professional liability, provision for income taxes, determination of a valuation allowance on net deferred tax assets, and the determination of estimates used in the impairment analysis of goodwill and other intangible assets.

Concentrations of Credit Risk

Concentrations of credit risk with respect to trade accounts receivable are limited due to the large number of customers and their dispersion across a number of geographic areas. However, essentially all trade receivables are concentrated in the hospital, government facilities and healthcare sectors, in the United States and, accordingly, the Company is exposed to their respective business, economic and location-specific variables. Although the Company does not currently foresee a concentrated credit risk associated with these receivables, repayment is dependent upon the financial stability of these industry sectors (See Note 18).

Fixed Assets

Fixed assets, consisting of equipment (primarily computer hardware and software), furniture and fixtures and leasehold improvements, are stated at cost and depreciated from the date placed into service over the estimated useful lives of the assets using the straight-line method. Leasehold improvements are amortized over the shorter of the lease term or estimated useful life of the improvement. Maintenance and repairs are charged to expense as incurred. Improvements that extend the life of the asset are capitalized.

Goodwill and Other Intangible Assets

Goodwill represents the excess of purchase price over the fair value of identifiable net assets of companies acquired. Goodwill and certain intangible assets with indefinite lives are not amortized. Instead, Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 350, *Intangibles – Goodwill and Other* (Topic 350) requires that these assets be reviewed for impairment annually (or more often if certain events occur which could impact their carrying value), and the Company's operations be formally identified into reporting units for the purpose of assessing impairments of goodwill and other intangible assets.

2. Summary of Significant Accounting Policies (Continued)

Goodwill and Other Intangible Assets (Continued)

The Company assesses goodwill and other intangible assets for potential impairments at the end of each fiscal year. In evaluating these assets for impairment, the Company first assesses qualitative factors to determine whether it is more likely than not (that is, a likelihood of more than 50 percent) that the fair value of a reporting unit is less than its carrying amount. If the Company concludes that it is not more likely than not that the fair value of a reporting unit is less than its carrying value, then no further testing of the goodwill and other intangible assets assigned to the reporting unit is required. However, if the Company concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then the Company performs a two-step impairment test, as delineated in ASC 350, to identify potential impairment and measure the amount of impairment to be recognized, if any.

The Company performed annual impairment tests at September 30, 2024 and 2023 and determined no impairment exists.

As a result of the qualitative assessments, the Company determined that it is more likely than not that the fair value of the reporting units is greater than their carrying amounts and there was no impairment of goodwill and other intangible assets. No events or circumstances have occurred subsequent to September 30, 2024 that could impact the carrying value of goodwill or other intangible assets.

Workers' Compensation

The Company participates in a "captive" insurance program (the "Program") for its medical staffing operation and shares the burden of risk of workers' compensation claims with other participants of the Program. The Company is currently obligated to pay its insurance premiums under the Program. The Company was previously required to establish a standby letter of credit (the "LOC") to fund a certain percentage of its insurance premiums for the policy year the premiums relate to. The LOC was terminated in October 2023 and replaced with cash collateral. As of September 30, 2024, the cash collateral amounted to $4,837. The Company reimburses the captive (on a quarterly basis) for all claims paid by the captive on its behalf until the total difference between the premium paid and the actual premium has been paid. In addition, the Company is required to perform quarterly self-audits and remit any required premiums.

The Company periodically recognizes investment income or losses on its equity in the Program. Zurich insurance company provides for excess re-insurance for all claims over $400 per occurrence, as well as aggregate coverage for overall claims borne by the group of companies that participate in the Program. The Company is responsible for all claims under $125. The Program also provides for risk sharing among the participants for infrequent claims between $125 and less than $400. In addition, included in accrued expenses and other current liabilities are workers' compensation premiums for prior years in which the Company is obligated for paying claims up to the amount of the premiums.

2. Summary of Significant Accounting Policies (Continued)

Workers' Compensation (Continued)

The Company estimates and records its expected workers' compensation losses for all open years.

Stock-Based Compensation

The Company measures and recognizes compensation awards for all stock option grants made to officers and employees, based on their fair value in accordance with FASB ASC 718 *"Compensation-Stock Compensation"*, which establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. A key provision of this statement is to measure the cost of employee services received in exchange for an award of equity instruments (including stock options) based on the grant-date fair value of the award. The cost will be recognized over the service period during which an employee is required to provide service in exchange for the award (i.e., the requisite service period or vesting period). The Company uses the Black-Scholes method for valuing its stock options.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740. Deferred tax liabilities and assets are determined based on the difference between the financial statement carrying amounts and the tax basis of assets and liabilities using the enacted statutory rates in effect at the balance sheet date. The Company records a valuation allowance to reduce its deferred tax assets when uncertainty regarding their realizability exists. The tax provision for the years ended September 30, 2024 and 2023 consists of federal, state and local income taxes representing taxes due to certain states and local jurisdictions.

In addition, the Company follows ASC 740 rules governing uncertain tax positions which provide guidance for recognition and measurement. ASC 740 prescribes a threshold condition that a tax position must meet for any of the benefits of the uncertain tax position to be recognized in the financial statements. It also provides accounting guidance on derecognition, classification and disclosure of these uncertain tax positions.

Fair Value Measurements

US GAAP establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – Represents financial assets whose fair value is determined based upon observable quoted market prices for identical financial assets in active markets that the Company has the ability to access.

2. Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

Level 2 – Represents financial assets whose fair value is determined based upon: quoted market prices for similar assets in active markets; quoted market prices for identical assets in inactive markets; inputs other than quoted market prices that are observable for the asset such as interest rates or yield curves; or other inputs derived principally from or corroborated from other observable market information.

Level 3 – Represents financial assets whose fair value is determined based upon inputs that are unobservable, including the Company's own determinations of the assumptions that a market participant would use in pricing the asset.

The Company considers its investment in the captive, of approximately $300, as a Level 2 financial asset based on the net asset value provided by the captive's administrator.

Recent Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)* ("ASU 842"), which amends the existing accounting standards for leases. The new standard requires lessees to record a right-of-use ("ROU") asset and a corresponding lease liability on the balance sheet (with the exception of short-term leases), whereas under previous accounting standards, the Company's operating leases are not recognized on its consolidated balance sheets. The new standard also requires expanded disclosures regarding leasing arrangements. The new standard became effective for the Company beginning October 1, 2022 (See Note 13).

In June 2016, the FASB issued ASU No. 2016-13, *Financial instruments – Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13") and subsequently issued additional guidance that modified ASU 2016-13. This standard introduces a forward-looking approach, based on expected losses, to estimate credit losses on certain types of financial instruments, including trade receivables. The estimate of expected credit losses requires entities to incorporate considerations of historical information, current information and reasonable supportable forecasts. This may result in the earlier recognition of allowances for losses. The Company adopted ASU 2016-13 on October 1, 2023. Results for reporting periods as of October 1, 2023 are presented under the new standard, while prior results continue to be reported under the old standard. The impact of the adoption was not considered material to the financial statements and primarily resulted in new enhanced disclosures (See Note 3).

Management does not believe that any other recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the Company's consolidated financial statements.

2. Summary of Significant Accounting Policies (Continued)

Events Occurring After Reporting Date

The Company has evaluated events and transactions that occurred between September 30, 2024 and December 23, 2024, which is the date the consolidated financial statements were available to be issued, for possible disclosure and recognition in the consolidated financial statements.

3. Current Expected Credit Losses

The Company records an allowance for credit losses for its accounts receivable in accordance with the current expected credit losses ("CECL") standard, ASU 2016-13. This methodology replaces the probable incurred loss methodology.

The CECL standard requires an entity to consider historical loss experience, current conditions, and a reasonable and supportable forecast of the economic environment. The Company utilizes a loss-rate method for estimating current expected credit losses. The loss rate method involves applying a loss rate to a pool of receivables with similar risk characteristics to estimate the expected credit losses on that pool of receivables. In determining the CECL allowance, the Company considers various factors including historical loss experience in its accounts receivable based on two separate pools of accounts receivable determined based on the classification of service type, and its current and future view of the macroeconomic environment.

Management estimates the allowance for credit losses using relevant information, from internal and external sources, relating to past events, current conditions and reasonable and supportable forecasts. The CECL allowance related to accounts receivable is presented within "Accounts receivable, net" in the Company's balance sheet, which is equal to the amount previously reflected as an allowance for doubtful accounts

The following table provides a reconciliation of the activity in the allowance for credit losses for accounts receivable for the year ended September 30, 2024:

Balance, October 1, 2023	$1,148
Provision for expected credit losses	566
Amounts written off against the allowance	(335)
Balance, September 30, 2024	$1,379

4. Investment in Flexwise Health, Inc.

In September 2017, Parent made an initial investment in Flexwise Health, Inc. ("Flexwise"), a company established to develop proprietary technology using machine learning to advertise, recruit, credential and match healthcare workers with temporary jobs in healthcare organizations. During the year ended September 30, 2022, as a result of various factors, management determined that its investment in Flexwise was worthless and, accordingly, wrote off its investment. In June 2023, Flexwise was sold to a third party, and the Company recognized a net gain of $185 on the sale of its stock. In addition, during the year ended September 30, 2024, the Company received $27 as a final settlement. The Company does not have any equity in Flexwise going forward.

5. Fixed Assets

Fixed assets consist of the following:

	Estimated Useful Life in Years	September 30, 2024	September 30, 2023
Computer equipment and software	3 to 5	$1,769	$ 1,769
Office equipment, furniture and fixtures	5	1,098	1,078
Telecommunications equipment and software	5	112	112
Leasehold improvements	5	112	112
		3,091	3,071
Less: accumulated depreciation and amortization		3,010	2,937
Total		$ 81	$ 134

Depreciation and amortization expense were $72 and $76 for the years ended September 30, 2024 and 2023, respectively.

6. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following:

	September 30, 2024	September 30, 2023
Prepaid insurance	$ 286	$ 139
Prepaid taxes	1,659	3,035
Other	1,676	1,710
Total	$ 3,621	$ 4,884

7. Other Receivables

Other receivables as of September 30, 2024 consist of amounts due the Company in connection with a litigation settlement (See Note 13). Other receivables as of September 30, 2023 consist of $4,615 due from the Company's former Lender (see Note 9) and $1,048 due from the government in connection with ATC Testing and Screening's participation in the COVID-19 at home testing program of the CMMS (See Note 13).

8. Accrued Expenses And Other Current Liabilities

Accrued expenses and other current liabilities consist of the following:

	September 30, 2024	September 30, 2023
Payroll and related taxes, net	$ 3,511	$ 3,042
Royalty payable	4,284	5,010
Accrued workers compensation insurance	1,138	1,334
Accrued insurance	168	285
Accrued professional and service fees	797	822
Advance customer payment	-	1,150
Other	990	1,223
Total	$10,788	$ 12,866

9. Financing Arrangements

The Company had a financing arrangement with CapitalSource Bank ("CapitalSource"), a division of Banc of California (formerly known as Pacific Western Bank), pursuant to a Revolving Credit and Security Agreement (the "Agreement") providing for a credit facility (the "Credit Facility") in the maximum principal amount of $13,000.

In September, 2023, CapitalSource and the Company agreed to terminate the Credit Facility. In connection with the termination the Company was required to remit $4,615 to CapitalSource, consisting of 105% of the unfunded letter of credit, as collateral, and a reserve for continuing obligations. In addition, in October, 2023, the Company was required to pay the Captive $4,054 for additional collateral for its workers' compensation policy. The $4,615 is included in other receivables in the accompanying balance sheet as of September 30, 2023, of which $4,485 was collected in October, 2023. As of September 30, 2024, the cash collateral amounted to $4,837.

As of September 30, 2023, there were no amounts due under the Credit Facility.

The Company intends to pursue new financing arrangements.

10. Other Liabilities

Other liabilities consist of the following:

	September 30, 2024	September 30, 2023
Deferred revenue, net	$159	$ 70
Other liabilities	79	28
Total	$238	$ 98

11. Employee Retention Credit

During the year ended September 30, 2023, the Company, with the assistance of outside consultants, filed an application with the Internal Revenue Service for the Employee Retention Credit ("ERC"). The ERC, as originally enacted through the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") on March 27, 2020, is a refundable credit against certain employment taxes equal to 50% of the qualified wages an eligible employer paid to employees from March 17, 2020 to December 31, 2020. The Disaster Tax Relief Act, enacted on December 27, 2020, extended the employee retention credit for qualified wages paid from January 1, 2021 to June 30, 2021, and the credit was increased to 70% of qualified wages an eligible employer paid to employees during the extended period. The American Rescue Plan Act of 2021, enacted on March 11, 2021, further extended the employee retention credit through December 31, 2021.

Employers are eligible for the credit if they experienced full or partial suspension or modification of operations during any calendar quarter because of governmental orders due to the pandemic or a significant decline in gross receipts based on a comparison of quarterly revenue results for 2020 and/or 2021 with the comparable quarter in 2019. The Company applied for and recognized ERCs in the aggregate amount of approximately $2,600 (exclusive of interest) and received approximately $1,900 during the year ended September 30, 2023. As of September 30, 2024, approximately $700 remains outstanding, which the Company believes is being processed by the Internal Revenue Service.

11. Employee Retention Credit (Continued)

Currently there is no US GAAP for for-profit business entities that receive government assistance that is not in the form of a loan, an income tax credit or revenue from a contract with a customer. Accordingly, the Company determined the appropriate accounting treatment by analogy to other guidance. The Company accounted for the ERC by analogy to International Accounting Standards (IAS) 20, Accounting for Government Grants and Disclosure of Government Assistance, of International Financial Reporting Standards (IFRS).

Pursuant to IAS 20, a business entity would recognize ERCs on a systematic basis over the periods in which the entity recognizes the payroll expenses for which the grant (i.e., tax credit) is intended to compensate the employer when there is reasonable assurance (i.e., it is probable) that the entity will comply with any conditions attached to the grant and the grant (i.e., tax credit) will be received.

The Company is reasonably assured it met all requirements of the ERC and, accordingly, has accounted for the $2,600 ERC, net of approximately $330 of consulting fees, as other income in the accompanying consolidated statement of operations for the year ended September 30, 2023. The ERC refund is not taxable; however, the Company is required to amend its tax returns for the years for which the ERCs are applicable (years ended September 30, 2020 and 2021). The ERC is subject to expense disallowance rules for the years ended September 30 2021 and 2020, resulting in increased income tax expense of approximately $697, for the year ended September 30, 2023.

The Company's eligibility remains subject to audit by the IRS for a period of five years.

12. Income Taxes

The Company is subject to income taxes in the U.S. federal jurisdiction and various state and local jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply.

The Company reflects income tax related interest and penalties, if any, as other expense in the statement of operations.

12. Income Taxes
(Continued)

The disproportionate relationship between the statutory rate and the Company's effective tax rate for the year ended September 30, 2023 is principally the result of the change in the valuation allowance.

The Company's net deferred tax assets are comprised of the following:

	September 30, 2024	September 30, 2023
Current:		
Allowance for credit losses	$ 386	$321
Accrued expenses	616	656
Total Current Deferred Tax Assets	1,002	977
Long-Term:		
Basis of fixed assets and intangible assets	82	15
Total Long-Term Deferred Tax Assets	82	15
Total Deferred Tax Asset	1,084	992
Valuation Allowance	(1,084)	(992)
Deferred Tax Assets, Net	$ -0-	$ -0-

13. Commitments and Contingencies

Lease Commitments

The Company leases office facilities and certain equipment under operating leases that expire through 2028.

As a result of the adoption of ASU 842 on October 1, 2022, the Company recorded a right of use asset and corresponding operating lease liability of $1,300. There was no substantial effect on the operations of the Company. As of September 30, 2024, the weighted average remaining lease term for the operating leases is approximately two years. The Company used a discount rate of 6.72% which it believes to be its incremental borrowing rate.

The Company has included its share of maintenance and utilities in the right-of-use asset and operating lease liability. Common area maintenance charges are expensed as incurred and not reflected in the right-of-use asset and operating lease liability. Further, due to the fact that the Company has not made the determination whether it will exercise its option to renew the lease, it has not reflected the lease renewal in the right-of-use asset and operating lease liability.

13. Commitments and Contingencies (Continued)

Lease Commitments (Continued)

The future aggregate minimum rental commitments under the non-cancelable operating leases as of September 30, 2024 are as follows:

Years Ending September 30,

2025	$428
2026	190
2027	24
Total minimum lease payments	642
Less: Amount representing interest	(35)
Present Value of Net Minimum Lease Payments	607
Less: Current portion	(399)
Long-term Portion	$208

Rent expense amounted to approximately $439 and $412 for the years ended September 30, 2024 and 2023, respectively.

Employment Agreements

In November 2002, the Company entered into amended employment agreements with two of its officers, under which they will receive annual base salaries of $302 and $404, respectively. In January 2015, the agreement with one of the officers was further amended, increasing the annual base salary from $404 to $420. The employment agreements are automatically extended at the end of each fiscal year and are terminable by the Company. During the year ended September 30, 2023, these two officers received cash bonuses, approved by the board of directors, in the aggregate amount of $1,500.

If a “change of control” (as defined in the agreements) were to occur and cause the respective employment agreements to terminate, the Company would be required to make lump sum severance payments of $904 and $1,205, respectively, to certain officers who amended their employment contracts in November 2002.

Litigation

In the ordinary course of its business, the Company may be subject to various claims and legal proceedings covering a wide range of matters that typically relate to payroll, contract, and employment-related matters. These matters may sometimes include individual and collective lawsuits and inquiries and investigations by governmental agencies regarding the Company’s employment practices. Management and legal counsel periodically review the probable outcome of such proceedings, the costs and expenses reasonably expected to be incurred, and the availability and extent of insurance coverage and established reserves.

While it is not possible at this time to predict the outcome of all legal actions, in the opinion of management, based on their reviews and the likely disposition of the actions, these matters will not have a material effect on the Company’s financial position, results of operations or cash flows.

13. Commitments and Contingencies (Continued)

Other Matters

During the year ended September 30, 2023, the Parent was subject to an inquiry by the U.S. government regarding the participation of ATC Testing and Screening in the COVID-19 at home testing program of the CMMS. In connection with its inquiry, the government took possession of approximately $1,000. During the year ended September 30, 2024, the government closed its inquiry, returned approximately $817 and recognized that any potential irregularities were committed by a third-party not affiliated with ATC.

During the year ended September 30, 2024, the Company, as plaintiff, was involved in litigation against its former software provider alleging, among other things, breach of contract, fraudulent misrepresentation, inducement and concealment. The software provider asserted a breach of contract counterclaim. On October 1, 2024, the litigation was settled in the Company's favor wherein the software provider agreed to pay the Company $1,400, which the Company received on November 15, 2024. The Company incurred approximately $900 in costs in connection with the litigation. The settlement amount net of the related costs is reflected as other income in the accompanying statement of operations for the year ended September 30, 2024.

14. Stockholders' Equity

Common Stock Class A

In January 2015, pursuant to a Restated Certificate of Incorporation, the Company increased its authorized Class A Common Stock from 200,000,000 to 320,000,000 shares.

Voting Rights

A holder of Class B Common Stock is entitled to ten votes for each share and each share is convertible into one share of Class A Common Stock (and will automatically convert into one share of Class A Common Stock upon transfer subject to certain limited exceptions). Except as otherwise required by the Delaware General Corporation Law, all shares of common stock vote as a single class on all matters submitted to a vote by the shareholders.

Stock Options

In February 2020, the Board of Directors granted two of the Company's executive officers a total of 10,000,000 stock options exercisable for Class A Common Stock of the Company with an exercise price of $.09 per share. The shares vest as follows: 2,000,000 shares on the grant date, 2,000,000 on each of the first, second, third and fourth anniversaries of the grant date.

During the years ended September 30, 2024 and 2023, the Company recorded $2 and $5 of stock based compensation expense, respectively, which is included in general and administrative expenses.

14. Stockholders' Equity (Continued)

Stock Options (Continued)

The following table summarizes information about all stock options outstanding at September 30, 2024:

	Options Outstanding							Options Exercisable	
Exercise Price	Beginning of Year Number Outstanding	Granted	Exercised	Cancelled	End of Year Number Outstanding	Weighted Remaining Contractual Life (in Years	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise
2023 $.09	4,000,000				4,000,000	.333	$0.09	2,000,000	$0.09
2024 $.09	4,000,000				4,000,000		$0.09	4,000,000	$0.09

15. Employee 401(k) Savings Plan

The Company maintains an Employee 401(k) Savings Plan. The plan is a defined contribution plan that is administered by the Company. All regular, full-time employees are eligible for voluntary participation upon completing one year of service and having attained the age of 21. The plan provides for growth in savings through contributions and income from investments. It is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended. Plan participants are allowed to contribute a specified percentage of their base salary up to limits imposed by the Internal Revenue Service. Contributions to the plan by the Company are discretionary. During the years ended September 30, 2024 and 2023, the Company contributed $26 and $ 23 to the plan, respectively.

16. Licensee Financial Data

The Company's consolidated financial statements include service revenues and service costs associated with its licensees. Summarized below is the breakdown between licensee and Company generated items for the years ended September 30, 2024 and 2023.

	September 30, 2024	September 30, 2023
Company service revenue	$ 671	$ 11,226
Sale of franchises, net	288	1,452
Licensee service revenue	140,771	161,045
Total Service Revenue	$141,730	$173,723

	September 30, 2024	September 30, 2023
Company service costs	$ 415	$ 9,364
Licensee service costs	100,888	114,092
Total Service Costs	$101,303	$123,456

	September 30, 2024	September 30, 2023
Franchise fees	$ 9,337	$ 7,308
Licensee royalty, net	11,736	16,923
Total Franchise Fees and Licensee Royalty Expenses	$21,073	$24,231

17. Related Party Transactions

In August 2016, in connection with the funding of the exercise of a portion of their vested stock options, two executive officers entered into promissory note agreements with the Company in the aggregate amount of $243. The loans bear interest at the rate of 3% per annum, are unsecured and are due together with unpaid interest at the earliest of the third anniversary of the loans or a change in control of the Company, as defined in the agreement. In August 2019, the agreements were extended until December 31, 2024. In September 2024, the agreements were further extended until December 31, 2029. Interest income amounted to $7 for each of the years ended September 30, 2024 and 2023. Unpaid interest income amounted to $58 and $51 as of September 30, 2024 and 2023, respectively.

In August 2017, two executive officers entered into promissory note agreements with the Company in the aggregate amount of $250. The loans bear interest at the rate of 5% per annum, are unsecured and are due together with unpaid interest at the earliest of December 31, 2024 or a change in control of the Company, as defined in the agreement. In September 2024, the agreements were extended until December 31, 2029. Interest income amounted to $13 for each of the years ended September 30, 2024 and 2023. Unpaid interest income as of September 30, 2024 and 2023 amounted to $90 and $77, respectively.

17. Related Party Transactions (Continued)

In September 2017, the two executive officers entered into promissory note agreements with the Company in the aggregate amount of $131 in connection with the purchase of a 50% interest in a franchise. The loans bear interest at the rate of 3% per annum, are unsecured and are due together with unpaid interest at the earliest of December 31, 2024 or a change in control of the Company, as defined in the agreement. In September 2024, the agreements were extended until December 31, 2029. Interest income amounted to $4 for each of the years ended September 30, 2024 and 2023. Unpaid interest amounted to $ 28 and $ 24 as of September 30, 2024 and 2023, respectively.

In May 2019, the two executive officers entered into promissory note agreements with the Company in the aggregate amount of $3,000. The loans bear interest at the rate of 5% per annum and are unsecured. Interest accruing at the rate of 2.37% annually is payable each year on the anniversary date of the note. The remainder of the interest accruing on the notes together with the principal are due on the earliest of the twelfth anniversary of the notes, a change in control of the Company, as defined in the agreement, or the voluntary termination of the executive officers. Interest income amounted to $150 for each of the years ended September 30, 2024 and 2023. Unpaid interest amounted to $804 and $654 as of September 30, 2024 and 2023, respectively.

In January 2020, in connection with the funding of the exercise of a portion of their vested stock options, two executive officers entered into promissory note agreements with the Company in the aggregate amount of $189. The loans bear interest at the rate of 4% per annum, are unsecured and are due together with unpaid interest at the earliest of the ninth anniversary of the loans or a change in control of the Company, as defined in the agreement. Interest income amounted to $8 for each of the years ended September 30, 2024 and 2023. Unpaid interest amounted to $37 and $29 as of September 30, 2024 and 2023, respectively.

In May 2022, in connection with the funding of the exercise of a portion of their vested stock options, two executive officers entered into promissory note agreements with the Company in the aggregate amount of $540. The loans bear interest at the rate of 4% per annum, are unsecured and are due together with unpaid interest at the earlier of the tenth anniversary of the loans or a change in control of the Company, as defined in the agreement. Interest Income amounted to $22 for each of the years ended September 30, 2024 and 2023. Unpaid interest amounted to $53 and $31 as of September 30, 2024 and 2023, respectively.

The two executive officers and their family members own and operate four of the Company’s franchises which provide travel nurses and other staffing services.

17. Related Party Transactions (Continued)

The following is a summary of the income and expenses of these four franchises for the years ended September 30, 2024 and 2023:

	September 30, 2024	September 30, 2023
Service revenue	$ 7,042	$ 8,847
Service costs	4,930	6,726
Operating and royalty expenses	1,188	1,187
Net Income	$ 924	$ 934

As of September 30, 2024, these franchises owe the Company approximately $88. As of September 30, 2023, the Company owed these franchises $13. The Company can also advance one of the franchises up to $85 bearing interest at 5% per annum.

In connection with the acquisition of a territory, the Company issued a non-interest bearing note receivable in the amount $150 to a company owned by two family members of the executives. As of September 30, 2024 and 2023 the loan balance amounted to $72 and $109, respectively.

The Company provides management services to an entity owned by a family member of an officer. Revenue amounted to $120 for each of the years ended September 30, 2024 and 2023. As of September 30, 2024 and 2023 the related entity owed the Company $378 and $558, respectively.

The Company has engaged an entity owned by the son of an executive to provide consulting and selling services, and testing supplies. The aggregate amount of expense amounted to $230 and $1,879 for the years ended September 30, 2024 and 2023, respectively.

The Company employed family members of two of its executives during the years ended September 30, 2024 and 2023 and incurred aggregate compensation expense amounting to $1,182 and $1,062, respectively.

The Company engaged various family members of two of its executives to provide consulting services during the years ended September 30, 2024 and 2023 and incurred fees amounting to $173 and $104, respectively.

18. Concentrations

During the years ended September 30, 2024 and 2023, the Company did not have any one customer that had service revenues greater than 10% of the Company's total revenue.

During the year ended September 30, 2024, two of the Company's franchisees represented 26% of the Company's total revenue. During the year ended September 30, 2023, two of the Company's franchisees represented 24% of the Company's total revenue.

During the year ended September 30, 2024, the Company incurred royalty expense to three of its licensees including franchises under common control, which represented 32% of the Company's royalty and franchise expense. During the year ended September 30, 2023, the Company incurred royalty expense to two of its licensees including franchises under common control which represented 24% of the Company's royalty and franchise expense.

EXHIBIT D-1 TO THE DISCLOSURE DOCUMENT

GUARANTEE OF PERFORMANCE

GUARANTEE OF PERFORMANCE

For value received, ATC Healthcare, Inc., a Delaware corporation (the "Guarantor"), located at One Hollow Lane, Suite 201, Lake Success, New York, 11042, absolutely and unconditionally guarantees to assume the duties and obligations of ATC Healthcare Services, LLC, located at One Hollow Lane, Suite 201, Lake Success, New York, 11042 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2026 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all obligations of the Franchisor under the franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor executes this guarantee at Lake Success, New York on the 20th day of January, 2026.

Guarantor:
ATC HEALTH CARE, INC.
By: _____
Name: David Savitsky
Title: Chief Executive Officer

EXHIBIT E TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES
As of September 30, 2025

Alabama	
Martin & Kayla Briggs 200 River Hills Business Park, Suite #235 Birmingham, Alabama 35242 205-870-7423 Territory: Birmingham	Martin & Kayla Briggs 200 River Hills Business Park, Suite #235 Birmingham, Alabama 35242 205-870-7423 Territory: Montgomery
Joseph Hirst 3977 Burma Road, Suite B Mobile, Alabama 36693 215-660-8574 Territory: Mobile	
California	
Dorika Beckett 360 North Pacific Coast Highway, Suite 2000 Los Angeles, California 90245 310-590-1690 Territory: Los Angeles	Dorika Beckett 7600 North Ingram Avenue, #102 Fresno, California 93711 209-492-9300 Territory: Fresno
Florida	
Ricardo Pena 2260 Wednesday Street, Suite 600 Tallahassee, FL 32308 229-516-8102	
Georgia[4]	
Judi Tompkins & Sara McBride 1827 Powers Ferry Road, Building 21, Suite 325 Atlanta, Georgia 30339 770-933-6218 Territory: Atlanta (#1)	Samuel Muchiri 55 Atlanta Street, Suite 110 Marietta, GA 30060 205-370-3417 Territory: Marietta
Clarus Healthcare Services, LLC Ratna Manjusha Janadhyala & HariKrishna Janadhyala 4123 Divot Way, Suite 110 Duluth, Georgia 30097 678-640-0017 Territory: Athens	Judi Tompkins 3015 Heritage Road, Suite 9 Milledgeville, Georgia 31061 478-414-1960 Territory: Macon - Milledgeville

[4] 3 locations were omitted but not terminated. The franchisee combined territories.

Illinois	
Vikas Bhatara 400 Arbor Drive Lake Bluff, IL 60044 708 361-5874 Territory: Chicago	
Indiana[5]	
Jill Bush 124 S. Indiana Street Mooresville, IN 46158 317-831-2300 Territory: Indianapolis	
Maryland	
Ricardo Dolet 8101 Sandy Spring Road, suite 300 Laurel, Maryland 20707 301-772-9616 Territory: Largo	
Michigan	
Orville Lynch 102 N Silverleaf Street Gladwin, MI 48624 989-839-2311 Territory: Midland	MDM Medical Staffing LLC Marina Marchese 39555 Orchard Hill Place, Suite 600 Novi, MI 48375 248-955-4155 Territory: Oakland County
Marina Marchese 39555 Orchard Hill Place, Suite 600 Novi, MI 48375 248-955-4155 Territory: Oakland County	MDM Medical Staffing LLC Marina Marchese 39555 Orchard Hill Place, Suite 600 Novi, MI 48375 248-955-4155 Territory: Oakland County
Orville Lynch 102 N Silverleaf Street Gladwin, MI 48624 989-839-2311 Territory: Western Michigan	
New Jersey	
Jeff & Erin Singer 45 Arrowhead Court, Lower Level Medford, NJ 08055 856-795-4442 Territory: Mount Laurel	Jeff and Erin Singer 350 Springfield Avenue, Suite 200 Summit, New Jersey 07901 908-363-5656 Territory: Union

[5] One location was omitted but not terminated. The Franchisee combined territories.

New York	
Waseem Akram & Shamveel Pasha 1516 New York Avenue Huntington, New York 11746 631-354-9494 Territory: Suffolk County	Richard Schneider 40 Main Street Hamburg, New York 11002 716-202-1254 Territory: Buffalo
Penina Wiener and Marisa Savitsky 600 Broadway Suite B Lynbrook, NY 11563 516-569-6411 Territory: Nassau County	Stephen Savitsky and David Savitsky 1 Hollow Lane, Suite 201 Lake Success, NY 11042 dsavitsky@atchealthcare.com Territory: NYC Boroughs
Nevada	
Winn Greenwood 5940 South Rainbow Blvd. Las Vegas, NV 89118 702-604-6631	
Ohio	
Gina McLaughlin 972 Youngstown Kingsville Road, Suite C Vienna, Ohio 44473 330-759-9722 Territory: Youngstown	
Oregon	
Josh Marass 3055 NW Yeon Avenue, Unit #494 Portland, OR 97210 425-620-2029 Territory: Portland	
Pennsylvania	
Sean Murphy 8600 West Chester Pike, Suite 303 Upper Darby, Pennsylvania 19082-2629 215-592-7600 Territory: Philadelphia	Enass Hassan 200 Fleet Street, Suite #1025 Pittsburgh, Pennsylvania 15220 412-782-4282 Territory: Pittsburgh
South Carolina[6]	
Judi Tompkins & Sara McBride 1470 Tobias Gadson Road, Suite 202 Charleston, South Carolina 29407 843-556-0303 Territory: Charleston	Karrie Powell 2019 Tacoma Circle Ridgeville, SC 29472 803-971-3172 Territory: Columbia
Virginia	

[6] One location was omitted but not terminated. The Franchisee combined territories.

Waseem Akram & Shamveel Pasha 1904 Byrd Avenue, Suite 205 Richmond, VA 23230 804-353-0170 Territory: Hampton Roads	Waseem Akram & Shamveel Pasha 1904 Byrd Avenue, Suite 205 Richmond, VA 23230 757-461-6651 Territory: Norfolk
Washington	
Josh Marass 3055 NW Yeon Avenue, Unit #494 Portland, OR 97210 425-620-2029 Territory: Seattle	

SIGNED BUT NOT OPEN

Georgia	
Judi Tompkins 1827 Powers Ferry Road Southeast Building 21 – Suite 325 Atlanta, GA 30339 Territory: Alpharetta/Duluth	Judi Tompkins 116 Madison Grove Boulevard Thomasville, GA 31757 Territory: Columbus, GA
South Carolina	
Karrie Powell 9731 Stockport Circle Summerville, SC 29485 Territory: Greenville	

FRANCHISEES WHO HAVE LEFT THE SYSTEM

As of September 30, 2025

Abdel Nofal
1730 Central Park Avenue
Yonkers, NY 10710
914-202-8703
Territory: White Plains

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise System.

EXHIBIT F TO THE DISCLOSURE DOCUMENT

TABLE OF CONTENTS OF THE OPERATIONS MANUAL

Around the Clock Healthcare Services

Operations Manual

www.atchealthcare.com

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EXHIBIT G TO THE DISCLOSURE DOCUMENT

GENERAL RELEASE AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this day of _____ _____, by and between ATC Healthcare Services, LLC, a Georgia limited liability company, having its principal place of business located at 1 Hollow Lane, Suite 201, Lake Success, NY 11042 (the "Franchisor"), and _____, a _____, with a principal address at _____ (hereinafter referred to as "Releasor"), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. **Release by Releasor**:

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises, covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys' fees.

2. Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. New York law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein and said action must be filed in the State of New York.

6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

7. **THIS GENERAL RELEASE DOES NOT APPLY WITH RESPECT TO CLAIMS ARISING UNDER THE WASHINGTON FRANCHISE INVESTMENT PROTECTION ACT, RCW 19.100, AND THE RULES ADOPTED THEREUNDER.**

The parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

RELEASOR:

_____
(Name)

RELEASOR:

_____

By:_____
Name:_____
Title:_____

FRANCHISOR:
ATC HEALTHCARE SERVICES, LLC

By:_____
Name:_____
Title:_____

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date states below:

State	Effective Date
California	January 20, 2026
Hawaii	Pendingt
Illinois	January 20, 2026
Indiana	January 20, 2026
Maryland	Pending
Michigan	January 20, 2026
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If ATC Healthcare Services, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires we give you this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If ATC Healthcare Services, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC, 20580, and to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

David Savitsky 1 Hollow Lane, Suite 201 Lake Success, NY 11042 (516)750-1600	Genia Spencer 1 Hollow Lane, Suite 201 Lake Success, NY 11042 (516)750-1604	Lynn Stewart 1 Hollow Lane, Suite 201 Lake Success, NY 11042 (516) 234-6545

Issuance Date: January 20, 2026

I received a Disclosure Document dated January 20, 2026, that included the following Exhibits:

EXHIBIT A: List of State Administrators/Agents for Service of Process
EXHIBIT B: State Specific Addenda
EXHIBIT C: Franchise Agreement with Attachments
EXHIBIT D: Financial Statements
EXHIBIT D-1: Guarantee of Performance
EXHIBIT E: List of Franchisees and Franchisees Who Have Left the System
EXHIBIT F: Table of Contents of the Operations Manual
EXHIBIT G: Form of General Release

Date Received:_____ Date:_____
(If other than date signed)

_____
(Signature of recipient)

Print Name:_____

Print Address:_____
_____

KEEP FOR YOUR RECORDS

RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

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Date:_____

_____
(Signature of recipient)

Print Name:_____

Print Address:_____

_____

Please return signed Receipt to: ATC Healthcare Services, LLC
1 Hollow Lane, Suite 201, Lake Success, NY 11042