

THE STUDENT COUNT, REVENUE AND EXPENSE FIGURES REPRESENT HISTORICAL OPERATING FIGURES FOR ONE COMPANY-OWNED CENTER OVER A FOUR AND ONE HALF MONTH TIME PERIOD DURING THE FIRST YEAR OF OPERATIONS FOR THAT LOCATION. THEY SHOULD NOT BE CONSIDERED AS POTENTIAL SALES VOLUMES THAT MAY BE REALIZED BY YOU. IF YOU RELY ON THESE FIGURES, YOU MUST ACCEPT THE RISK THAT YOUR FRANCHISE WILL NOT PERFORM AS WELL.

WE HAVE BASED THE CLAIMS UPON OUR BUSINESS RECORDS AND FINANCIAL STATEMENTS PREPARED SPECIFICALLY FOR THE COLORADO SPRINGS CENTER AND HAVE COMPILED THE CLAIMS TO THE EXTENT POSSIBLE IN A MANNER CONSISTENT WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES CONSISTENTLY APPLIED. WE WILL PROVIDE SUBSTANTIATION OF THE ABOVE STUDENT COUNT AND THE REVENUES FIGURE TO YOU AT OUR OFFICES IF YOU REQUEST SUCH INFORMATION FROM US IN WRITING.

OTHER THAN THE INFORMATION SET FORTH ABOVE, WE DO NOT FURNISH OR AUTHORIZE OUR SALESPERSONS TO FURNISH ANY ORAL OR WRITTEN INFORMATION CONCERNING THE ACTUAL OR POTENTIAL SALES, INCOME OR PROFITS OF A LEARNINGRX TRAINING CENTERSM.

**Colorado Springs North LearningRx 2006
Profit & Loss
January 1 – December 31, 2006**

Income Services	Total	% of Income
Assessment	\$24,349.25	3.09%
Lift Off	\$9,120.00	1.16%
MathRx	\$66,882.00	8.48%
Miscellaneous	\$55.00	0.01%
ReadRx	\$587,964.19	74.55%
ThinkRx	\$100,265.67	12.71%
Total Services	\$788,636.11	100.00%
Total Income	\$788,636.11	100.00%
Gross Profit	\$788,636.11	100.00%
Expenses		
Advertising/Promotional	\$600.00	0.08%
DM Direct Mail	\$51,697.04	6.56%
MDF Marketing Development Fund	\$16,587.25	2.10%
MG Magazine	\$1,693.20	0.21%
NP Newspaper		0.00%
Major Paper	\$6,319.09	0.80%
Neighborhood Paper	\$414.00	0.05%
Total NP Newspaper	\$6,733.09	0.85%
OA Other Advertising/Marketing	\$2,354.83	0.30%
PR Public Relations	\$100.00	0.01%
RD Radio	\$16,055.60	2.04%

Income Services	Total	% of Income
YP Yellow Page	\$1,681.82	0.21%
Total 1 Advertising/Promotional	\$101,921.13	12.92%
2 Facilities	\$2,178.91	0.28%
Rent	\$41,954.67	5.32%
Telephone	\$4,517.84	0.57%
Total 2 Facilities	\$48,651.42	6.17%
3 Labor		0.00%
Pay – Administrative		0.00%
Contracted	\$15,330.25	1.94%
Employee	\$129,356.95	16.40%
Total Pay – Administrative	\$144,687.20	18.35%
Pay – Trainer		0.00%
Contracted	\$153,780.25	19.50%
Total Pay – Trainer	\$153,780.25	19.50%
Total 3 Labor	\$298,467.45	37.85%
Bank & Credit Card Fees	\$12,321.97	1.56%
Dues and Subscriptions	\$884.76	0.11%
Interest Expense	\$2,650.00	0.34%
Kits & Student Materials	\$17,265.42	2.19%
Outside Services	\$7,642.74	0.97%
Postage and Delivery	\$1,164.43	0.15%
Printing and Reproduction	\$2,713.22	0.34%
Repairs	\$206.49	0.03%
Royalty LearningRx	\$66,748.99	8.46%
Supplies	\$23,967.49	3.04%
Taxes	\$32.28	0.00%
Travel & Entertainment		0.00%
Meals	\$3,774.66	0.48%
Travel	\$209.71	0.03%
Total Travel & Entertainment	\$3,984.37	0.51%
Total Expenses	\$588,622.16	74.64%
Net Operating Income	\$200,013.95	25.36%
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Center Statistics
January 1, 2006 to November 30, 2006
Colorado Springs North

Clients	
Prospects	435
Assessments	285
Consultations	237
Started	186
Completed	123
Prospect Source	
% DM Direct Mail	29
% MG Magazine	4
% NP Newspaper	2
% OA Other Advertising	6
% RD Radio	12
% RF Referral	36
% TV Television	1
% WB Web	3
% YP Yellow Pages	2
Sales Conversion %	
% Assessment/Prospect	66
% Consultation/Assessment	83
% Student/Consultation	78
% Student/Assessment	65
% Student/Prospect	43

THE 2006 STUDENT COUNT, REVENUE AND EXPENSE FIGURES REPRESENT HISTORICAL OPERATING FIGURES FOR ONE COMPANY-OWNED CENTER OVER A TWELVE MONTH TIME PERIOD DURING THE 2006 YEAR OF OPERATIONS FOR THAT LOCATION. THEY SHOULD NOT BE CONSIDERED AS POTENTIAL SALES VOLUMES THAT MAY BE REALIZED BY YOU. IF YOU RELY ON THESE FIGURES, YOU MUST ACCEPT THE RISK THAT YOUR FRANCHISE WILL NOT PERFORM AS WELL.

WE HAVE BASED THE CLAIMS UPON OUR BUSINESS RECORDS AND FINANCIAL STATEMENTS PREPARED SPECIFICALLY FOR THE COLORADO SPRINGS NORTH CENTER AND HAVE COMPILED THE CLAIMS TO THE EXTENT POSSIBLE IN A MANNER CONSISTENT WITH GENERALLY ACCEPTED

ACCOUNTING PRINCIPLES CONSISTENTLY APPLIED. WE WILL PROVIDE SUBSTANTIATION OF THE ABOVE STUDENT COUNT AND THE REVENUES FIGURE TO YOU AT OUR OFFICES IF YOU REQUEST SUCH INFORMATION FROM US IN WRITING.

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Notes:

- (1) The products and services offered by each franchisee, although essentially the same, may vary slightly based on market conditions, demand for specific products, the learning requirements of customers, and the sales skills utilized by the owners and employees of each individual Center. The gross revenue attained by each Center will depend on a wide range of factors including, but not limited to, geographic differences, competition within the immediate market area, the quality of the service provided to customers by the franchisee and its employees, consumer demand for our products, and the marketing skills and sales efforts employed by each franchisee. The profitability of individual franchisees will depend on a number of factors which may vary due to the individual characteristics of each Center. Factors affecting the net profits may include, but are not limited to, the costs of labor, insurance, supplies, and compliance with state and local laws regulating the provision of educational training services, including any state-specific licensing requirements.