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FRANCHISE DISCLOSURE DOCUMENT

Jackson Hewitt Inc.
a Virginia corporation
10 Exchange Place, 27th Floor
Jersey City, New Jersey 07302
(973) 630-1040
www.jacksonhewitt.com
E-mail: joinus@jtax.com

The franchise is the right to operate a business that offers tax preparation services and other financial and related products and services under the Jackson Hewitt Tax Service® brand and system.

The total investment necessary to begin operation of a standard Jackson Hewitt Tax Service® business is $49,000 to $79,805 (for a new franchisee) or $42,300 to $77,805 (for an existing franchisee). This includes $15,500 to $33,000 (for a new franchisee) or $2,500 to $12,500 (for an existing franchisee) that must be paid to us. The total investment necessary to begin operation of a kiosk location is $15,500 to $34,425. This includes $0 to $1,000 that must be paid to us.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this Disclosure 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 Victoria McShane, our Director, Franchise Compliance, 10 Exchange Place, 27th Floor, Jersey City, New Jersey 07302, (973) 630-0905, joinus@jtax.com.

The terms of your contract will govern your franchise relationship. Do not 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 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: August 12, 2021, as amended September 21, 2021

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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 H.
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 I 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 Jackson Hewitt 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 a Jackson Hewitt franchisee?	Item 20 or Exhibit H 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.

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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 than 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 your 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 the agency information in Exhibit B.

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.

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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 us by litigation or arbitration only where we have our principal place of business (currently New Jersey). Out-of-state litigation or arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to litigate or arbitrate with us in New Jersey than in your own state.

2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though 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.

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THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY MICHIGAN FRANCHISE INVESTMENT LAW ONLY

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 franchisees.

(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 the Michigan Franchise Investment 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 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 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 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) The 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.

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(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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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.

Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
Telephone Number: (517) 373-7117

Note: Despite subparagraph (f) above, we intend, and we and you agree to fully enforce the arbitration provision of the Franchise Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing these arbitration provisions. You acknowledge that we will seek to enforce this section as written.

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Unless the context otherwise requires, all references to "Jackson Hewitt," "Franchisor," or "us" refer to Jackson Hewitt, Inc., and all references to "Franchisee" or "you" refer to the person or legal entity that is granted the right to operate a Jackson Hewitt Tax Service® business (sometimes referred to in this document as the "Franchised Business") under a franchise agreement ("Franchise Agreement"), our current standard form of which is attached to this Disclosure Document as Exhibit C. If you are a legal entity (other than an individual), the provisions of the Franchise Agreement also apply to your Owners because we require that all your Owners personally guarantee, and be personally bound by, your obligations under the Franchise Agreement. We also reserve the right to require your Owners' spouses to personally guarantee and be personally bound by your obligations under the Franchise Agreement.

The Franchisor, Any Parents and Affiliates. We are a Virginia corporation incorporated on December 24, 1985. We and our wholly owned subsidiary, Tax Services of America, Inc. ("TSA"), do business under the name Jackson Hewitt Tax Service®. We have operated and offered franchises for Jackson Hewitt Tax Service businesses since 1986. We engage only in franchising and supporting franchisees of businesses relating to tax return preparation and other financial and related products and services. We have no predecessors and no affiliates ("Affiliates") that offer any franchises for tax preparation or related services. Our corporate parent is Jackson Hewitt Tax Service Inc. ("JHTS"), a Delaware corporation incorporated on February 20, 2004. On May 31, 2018, under the terms of an Agreement and Plan of Merger, Assist Parent LLC ("Assist Parent"), a Delaware limited liability company, became the owner of JHTS. The parent of Assist Parent is Assist TopCo LLC, a Delaware limited liability company; the parent of Assist TopCo LLC is Assist Holdings L.P., a Delaware limited partnership; the majority owner of Assist Holdings L.P. is Corsair Assist, L.P., a Delaware limited partnership, the majority of which is owned by investment funds. One of our Affiliates, Jackson Hewitt Technology Services LLC ("JH Technology"), provides various technology services for our system. The principal business address for us, TSA, and JHTS is 10 Exchange Place, 27th Floor, Jersey City, New Jersey 07302. The business address for JH Technology is 501 N. Cattlemen Road, Suite 300, Sarasota, Florida 34232. The principal business address for Assist Parent and its parents is 717 Fifth Avenue, 24th Floor, New York, New York 10022. Our agents for service of process are listed on Exhibit B. From 1994 through 1996, we also operated and offered franchises for copy and related services businesses under the name "Copy, Pack & Ship." Other than the franchises described in this paragraph, neither we, nor any of our Affiliates, have operated or offered franchises in any other line of business.

Franchises Offered. We offer franchises for the operation of Jackson Hewitt Tax Service businesses that provide tax return preparation and other financial and related products and services under the service marks "JACKSON HEWITT®" and "JACKSON HEWITT TAX SERVICE®" and such other trademarks, service marks, trade dress and logos that we designate (the "Marks"). Each Franchised Business is governed by a Franchise Agreement and must be operated in accordance with our plan and system for preparing, checking and electronically filing income tax returns, and for offering other financial and related products and services, using our software, accounting methods, merchandising, equipment selection, advertising, promotional techniques, personnel training and quality standards that feature the Marks (the "Operating System"). Each Franchise Agreement will describe a defined territory ("Territory") and will specify the number and types of offices you will be required to open within the Territory.

We may enter into arrangements with organizations that permit you and/or us to operate a facility in locations open to the general public ("National Account") as well as places that are not open to the general public, such as within a business, organization, labor union, or government employer (an "Affinity Location"). We may negotiate special rates and/or services for providing tax preparation services at a National Account location ("National Account Location") or an Affinity Location. We are not required to allow you to service Affinity Accounts or National Accounts or operate in Affinity

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Accounts or National Account Locations, but if we do, you and we will execute an addendum to the Franchise Agreement to reflect the non-traditional nature of the location as well as the specific requirements that are imposed by the particular National Account or Affinity Account. Our current form of addendum is attached as Schedule D to the Franchise Agreement (see Exhibit C to this Disclosure Document), but the form you would sign would be an adaptation of that form to incorporate terms and conditions specific to the particular Affinity Account or National Account and the operation of Jackson Hewitt businesses at their locations. Depending on the arrangement we negotiate with the National Account or Affinity Account, many of these locations may only operate during one or more Tax Seasons. A "Tax Season" is the period beginning on January 2 and ending on the last date that individual federal income tax returns are due under the Internal Revenue Code of 1986, as amended (the "Code"), without extension (typically, April 15th or the next business day if this day falls on a weekend or federal holiday). We currently have National Account arrangements with national and large regional retailers and under those arrangements, we and our Franchisees operated facilities in over 2,800 National Account Locations as of April 30, 2021. There are presently no Affinity Locations.

We also offer to qualified operators of other tax-preparation businesses a franchise for the conversion of their business to a Jackson Hewitt Tax Service business (the "Conversion Program"). If you qualify, and participate in the Conversion Program, you must sign a Franchise Agreement as well as the Conversion Program Amendment attached as Exhibit D (the "Conversion Amendment"). Under the Conversion Program, we will not require you to pay royalty or advertising and marketing fees on revenues you generate from your existing customers, and we will advance on your behalf certain costs toward technology, furnishings, and signage that are required for the development and operation of a Jackson Hewitt Tax Service business. We will forgive the amounts advanced on your behalf if you operate for at least three Tax Seasons and meet the other program criteria. Not all new franchisees will meet our Conversion Program criteria, and we have no obligation to provide the Conversion Program to any franchisee. We may discontinue the Conversion Program at any time.

We may offer franchisees who meet our qualifications and who also operate at least one storefront location the opportunity to operate a Jackson Hewitt "kiosk" franchise. A kiosk is generally located on an interior pad located within a National Account Location or Affinity Location.

If you are currently operating a Jackson Hewitt franchise under the "NFA" form of franchise agreement, the term of that franchise agreement is expiring, and you satisfy our criteria for obtaining a successor franchise, then along with the form of Franchise Agreement attached as Exhibit C, you will sign the Renewal Addendum to Franchise Agreement (NFA) (the "NFA Renewal Addendum") attached to this Disclosure Document as Exhibit E. Under the NFA Renewal Addendum, you and we agree to certain terms that were negotiated by the Independent Council of Jackson Hewitt Franchisees, Inc., and that are required to be reflected in the Franchise Agreement that you sign in connection with the renewal of the franchise granted under your original franchise agreement.

Competition. The market for paid tax return preparation and other financial and related products and services is highly competitive. Our network of Jackson Hewitt businesses (the "Network") competes with tens of thousands of paid tax return preparers and providers and regional and national accounting firms and financial service institutions that prepare tax returns and provide other financial and related products and services as part of their businesses. We also face competition from the online and software self-preparer market, including our own separate online do-it-yourself tax preparation and filing service and the Free File Alliance (a consortium of the IRS and online preparation services, of which we are not a member) that provide free or low-cost online tax return preparation, and from volunteer organizations that prepare tax returns at no cost for low-income taxpayers. Certain states may also pass legislation to provide free online tax return preparation and filing from time to time. Our ability to compete in the tax return preparation business depends on our product mix, price for services, customer service, the specific site locations of our offices, local economic conditions, quality of on-site office management,

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the ability to file tax returns electronically with the IRS and states, and the availability of financial products to our customers. Seasonality is a substantial factor in the operation of a Jackson Hewitt Tax Service business. Revenue derived during Tax Seasons currently accounts for most, if not all, of the revenue derived by Jackson Hewitt Tax Service businesses.

Laws and Regulations Applicable to the Business. The following laws may apply to your Jackson Hewitt Tax Service business:

Tax Laws and Regulations. The Code and its regulations govern the determination of tax for each customer, who may practice as a tax return preparer, the conduct of tax return preparers, and eligibility for obtaining and maintaining an Electronic Filing Identification Number ("EFIN"). You must secure and maintain an EFIN for those locations where you offer income tax return preparation services. You cannot file tax returns electronically if you cannot pass "suitability" screening by the IRS to qualify for an EFIN. You may not pass this screening if you have an existing dispute with the IRS or any state tax department, you owe back taxes or tax penalties, you have not filed taxes for your individual income or business or for other reasons set by the IRS.

Tax Return Preparation Regulations: All tax preparers are required to comply with all relevant federal, state and local rules and regulations that are or will be adopted by the IRS and various other agencies. These include the requirements set forth in Treasury Department Circular 230 as well as certain registration requirements and rules and requirements applicable to e-file providers (including, for example, IRS Publication 1345, Handbook for Authorized IRS e-file providers), document retention, and privacy. Preparers preparing tax returns are also subject to accuracy-related penalties in connection with the preparation of tax returns and may be enjoined from preparing tax returns if they continually or repeatedly engage in specified misconduct. Various IRS regulations also require tax return preparers to comply with certain due diligence requirements to investigate factual matters in connection with the preparation of tax returns. The IRS conducts audit examinations of authorized IRS e-file providers and tax return preparers, reviewing samples of prepared tax returns to ensure compliance with regulations in connection with tax return preparation activities.

Privacy Laws. Federal and state law also requires us and our franchisees to safeguard the privacy and security of our customers' data, including financial information to prevent a compromise or breach of security that would result in the unauthorized release of our customers' data. In addition, the Gramm-Leach-Bliley Act and related Federal Trade Commission ("FTC") regulations require income tax return preparers to adopt and disclose customer privacy policies and provide customers a reasonable opportunity to opt-out of having personal information disclosed to unaffiliated third parties for marketing purposes. Some states have adopted or proposed stricter opt-in requirements in connection with use or disclosure of consumer information.

Financial Product Regulations. Federal and state statutes and regulations govern the facilitation and/or offering of various financial products available in our offices. These laws require Jackson Hewitt Tax Service businesses to, among other things, provide specific disclosures and advertise financial products in a certain manner. Certain jurisdictions may, now or in the future, require that the franchisee hold a separate license or registration as a condition to the facilitations and/or offering of financial products available in our offices. Changes to statutes, regulations or interpretation of law could result in a need to modify or not offer certain products or services.

Tax Course Regulations. Tax preparation courses offered by us and our franchisees are subject to regulation under proprietary school laws and regulations in many states. Under these regulations, our tax courses may need to be registered and may be subject to other requirements relating to facilities, instructor qualifications, contributions to tuition guaranty funds, bonding and advertising.

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ITEM 2
BUSINESS EXPERIENCE

Greg Macfarlane, *President and Chief Executive Officer*

Mr. Macfarlane has been our and JHTS's President since June 15, 2020 and was appointed as our and JHTS's Chief Executive Officer on July 15, 2020. In addition, Mr. Macfarlane has served as a member of JHTS's Board of Directors since May 2018. From January 2018 to May 2020, Mr. Macfarlane served as Chief Financial Officer for Casper Sleep Inc. ("Casper") in New York, New York, and from November 2018 to May 2020, he was also Casper's Operating Officer. From December 2016 to November 2018, Mr. Macfarlane was self-employed. From June 2012 to December 2016, Mr. Macfarlane worked for H&R Block in Kansas City, Missouri, as Senior Vice President of U.S. Retail Products & Operations (May 2016 to December 2016) and as Chief Financial and Strategic Officer (June 2012 to April 2016).

Justin DiTrolio, *Senior Vice President and Chief Financial Officer*

Mr. DiTrolio has served as our Senior Vice President and Chief Financial Officer since September 2021. From September 2020 to September 2021, Mr. DiTrolio served as our Senior Vice President, Chief Product and Innovation Officer. From July 2019 to September 2020, Mr. DiTrolio served as our Senior Vice President, Chief Product and Strategy Officer. From August 2018 to July 2019, Mr. DiTrolio served as our Senior Vice President, Attached Services. From August 2014 to August 2018, Mr. DiTrolio served as our Senior Vice President, Financial Products.

Euan Campbell, *Chief Marketing Officer*

Mr. Campbell has served as our Chief Marketing Officer since September 2016. During July and August of 2016, Mr. Campbell was transitioning from his role at Standard Charter Bank in Singapore, where he worked from November 2014 to June 2016 as Global Head of Segments.

Shawn Bradia, *Senior Vice President, General Counsel, Corporate Secretary, and Director*

Mr. Bradia has served as our Senior Vice President and General Counsel since April 2016. In September 2016, he was appointed our Corporate Secretary and Director.

Shara Abrams, *Senior Vice President, Operations*

Ms. Abrams has served as our Senior Vice President, Operations since May 2012. From June 2011 to May 2012, Ms. Abrams served as our Senior Vice President, Franchise Operations in Sarasota, Florida. From June 2010 to June 2011, Ms. Abrams served as our Senior Vice President of Eastern Operations. From June 2006 to June 2010, Ms. Abrams served as our Vice President of Field Operations and prior to June 2006, she held a number of other operations positions for us. Ms. Abrams is based out of Sarasota, Florida.

Kevin Shen, *Vice President, Development*

Mr. Shen has served as our Vice President, Development since November 2020. From April 2019 to October 2020, Mr. Shen served as our Vice President, Real Estate Development. From January 2018 to April 2019, Mr. Shen served as our Senior Director, Development Strategy, and from July 2014 to December 2017, Mr. Shen served as our Director, Strategy.

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Unless otherwise noted, all of our officers described in this Item hold equivalent officer positions at JHTS, our parent corporation, and all positions are based in Jersey City, New Jersey.

ITEM 3
LITIGATION

PENDING ACTIONS

Robert Lematta, individually and on behalf of all others similarly situated, v. Casper Sleep Inc., Philip Krim, Gregory Macfarlane, Neil Parikh, Diane Irvine, Anthony Florence, Jack Lazar, Benjamin Lerer, Karen Katz, Dani Reiss, Morgan Stanley & Co. LLC, Goldman Sachs & Co. LLC, Jefferies LLC, BofA Securities, Inc., UBS Securities LLC, Citigroup Global Markets Inc., Piper Sandler & Co. and Guggenheim Securities, LLC (Case No. 1:20-cv-02744-MKB-RML, United States District Court for the Eastern District of New York) (the "Federal Action") and *In re Casper Sleep Inc. Securities Litigation* (Supreme Court of the State of New York, County of New York: Commercial Division, Index No. 652284/2020) (the "State Action"). On June 19, 2020, Robert Lematta filed a class action lawsuit on behalf of persons or entities who purchased or otherwise acquired publicly traded securities in or traceable to the initial public offering conducted by Casper Sleep Inc. ("Casper") on February 7, 2020 (the "IPO"). On August 27, 2020, the court granted a motion to appoint Saleh Doron Gahtan as lead plaintiff. On October 27, 2020, Mr. Gahtan filed a consolidated amended class action complaint (the "First Amended Complaint"). In addition, on October 26, 2020, plaintiffs in the State Action, Nimishkumar Patel, Donald Jankowiak, Kristen Gorenberg and Matt Mattern, purchasers of shares in Casper, filed a complaint (the "Consolidated Complaint"), which consolidated various previous cases brought against Casper and the other defendants around the time of the filing of the Federal Action. Among the many defendants named in the First Amended Complaint and the Consolidated Complaint is Greg Macfarlane, our current President and Chief Executive Officer. At the time of the IPO, Mr. Macfarlane was Casper's Chief Financial Officer and Chief Operating Officer. In the First Amended Complaint, the lead plaintiff brings two counts alleging violations of the Securities Act of 1933 (the "Securities Act") and two counts alleging violations of the Securities Exchange Act of 1934 (the "Exchange Act"). In the first count, the lead plaintiff alleges all the named defendants violated the Securities Act by issuing and disseminating a registration statement for the IPO that contained misstatements and/or omissions. In the second count, the lead plaintiff alleges the individual defendants violated the Securities Act by failing to make a reasonable investigation that the statements in the registration statement were accurate and complete in all material respects. In the third count, the lead plaintiff alleges Casper and the officers of Casper (including Mr. Macfarlane) violated the Exchange Act by knowingly or recklessly engaging in acts during the period of March 19, 2020, through May 12, 2020 (the "Class Period") to deceive the investing public. In the fourth count, the lead plaintiff alleges the officers of Casper (including Mr. Macfarlane) violated the Exchange Act by participating in conduct during the Class Period that artificially inflated the market price of Casper securities. The Consolidated Complaint alleges the same general facts as the First Amended Complaint, but brings only two counts, each alleging violations of the Securities Act. In the First Amended Complaint and the Consolidated Complaint, the applicable plaintiffs seek: a declaration that the case is a proper class action; unspecified monetary damages; costs and expenses, including counsel fees and expert fees; and such other relief as the court deems proper. On March 22, 2021, on plaintiffs' unopposed motion, the court in the State Action entered an order discontinuing the putative class action without prejudice. Plaintiffs filed another amended complaint (the "Second Amended Complaint") in the Federal Action on June 30, 2021, which alleges the same four counts, and seeks the same relief, as the First Amended Complaint. On July 30, 2021, the defendants served notice on the court that they had served a motion to dismiss the Second Amended Complaint on all parties.

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Jessica Robinson v. Jackson Hewitt Inc. and Tax Services of America, Inc. (Case No. 2:19-cv-9066; United States District Court for the District of New Jersey), originally filed January 24, 2019 in the United States District Court for the Eastern District of Virginia. The plaintiffs, who allege to be former employees of Jackson Hewitt businesses, allege that we violated the Sherman Antitrust Act by conspiring to restrict movement of employees and to suppress employee wages through covenants against recruiting our employees contained in franchise agreements entered into with our franchisees. The plaintiffs, claiming to represent similarly situated persons, seek class certification, an order enjoining the enforcement of the covenants against recruiting our employees, treble damages (in an unspecified amount), pre- and postjudgment interest, and costs and attorneys' fees. After four actions alleging materially the same claims and pending in the United States District Court for the Eastern District of Virginia were transferred to the United States District Court for the District of New Jersey, two of the cases were dismissed voluntarily and one was dismissed by stipulation. In a first amended complaint, the plaintiffs added Carson Newbauer and Nicole Gibson, the named plaintiffs in the two dismissed actions, to this case. In a second amended complaint, Carson Newbauer was removed as a named plaintiff, and Stacey Jennings was added as a third named plaintiff. On May 27, 2019, we moved to dismiss the complaint on the grounds that the named plaintiffs lack standing, certain claims are barred by the statute of limitations, the plaintiffs lack standing to pursue injunctive relief, and the plaintiffs have not stated claims under the Sherman Antitrust Act upon which relief may be granted. On October 31, 2019, the Court granted the motion to dismiss in part, dismissing all claims prior to December 20, 2014. On June 16, 2020, the Court entered an order granting a motion to voluntarily withdraw Nicole Gibson as a named plaintiff, replacing her with Priscilla McGowan. This matter is in the discovery phase.

FRANCHISOR-INITIATED LITIGATION DURING FISCAL YEAR ENDED APRIL 30, 2021

During the fiscal year ended April 30, 2021, we initiated the following lawsuit against a former franchisee:

Action to Enforce Trademark Rights and Post-Termination Obligations, and to Collect Amounts Due:

Jackson Hewitt Inc. v. Collins Njoku (Case No. 2:21-cv-07665-KM-ESK; United States District Court for the District of New Jersey) filed March 31, 2021.

CONCLUDED ACTIONS

Calderaro v. Jackson Hewitt Inc., filed November 13, 2012 in the Connecticut Superior Court - Milford Judicial District and subsequently removed to the United States District Court for the District of Connecticut and then transferred to the United States District Court for the District of New Jersey, Newark Division (Case No. 2:13-cv-00701-FSH-PS). On November 13, 2012, Plaintiff brought an action against us asserting causes of action for promissory estoppel and violation of § 42-110a, *et seq.* of the Connecticut General Statutes. On July 26, 2013, the matter was dismissed with prejudice pursuant to a settlement between the parties under which we agreed to pay plaintiff $4,750.

State of New Jersey ex rel. Gulsen Kama v. Jackson Hewitt and David Prokupek (Case No. HUD-L-1637-16; Superior Court of New Jersey - Law Division - Hudson County). On April 21, 2016, an anonymous complaint was filed under seal with the Superior Court of New Jersey - Hudson County. The State of New Jersey elected not to intervene, so the complaint was unsealed, revealing that it was brought by a former employee, primarily under the New Jersey False Claims Act, against an unspecified "Jackson Hewitt" entity and David Prokupek (our former President and CEO), seeking to recover for the state of New Jersey what she contended was over $2 million in planned business development grants for the unspecified entity, plus treble damages, and to personally recover a percentage of whatever

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damages, if any, are eventually awarded against the defendants. The plaintiff also sought an unspecified amount of damages for herself through supplemental claims alleging various counts of fraud, violation of the New Jersey Conscientious Employee Protection Act (CEPA), breach of the covenant of good faith and fair dealing, and violation of the New Jersey RICO Act, all in connection with her prior employment. On November 8, 2017, the parties entered in a settlement agreement under which we and Prokupek agreed to pay the plaintiff $400,000 and the parties exchanged mutual releases. The case was dismissed with prejudice on November 21, 2017.

Luis Lomeli v. Jackson Hewitt Inc., et al. (Case No.17-cv-02899; United States District Court for the Central District of California). On April 17, 2017, Luis Lomeli filed a putative class action complaint against us, TSA, our franchisee, Juan Flores and his company JJF & AC, Inc., Santa Barbara Tax Products Group LLC, Civista Bancshares, Inc., and Civista Bank, N.A. Lomeli purported to represent two groups of Jackson Hewitt customers, one whose returns, he alleged, were manipulated after being approved by the customer, and the other who, he alleged, were charged "undisclosed fees" as part of our assisted refund program. He asserted claims for RICO, negligence, fraud, and violation of various California statutes, including California Business & Professions Code, the California Consumer Legal Remedies Act, and the California Customer Records Act. He sought injunctive relief, equitable relief, and declaratory relief, unspecified compensatory and statutory damages, treble damages, punitive damages, attorneys' fees, costs, and interest. On October 19, 2017, the Court entered an order granting our and TSA's Motion to Dismiss. The Court specifically ruled that Lomeli had failed to allege facts showing that we or TSA had done anything wrong and further held that plaintiff's allegations of vicarious liability based on a franchisor-franchisee relationship were insufficient under California law. Plaintiff filed an amended complaint on November 9, 2017, addressing these deficiencies. On or about May 23, 2018, the parties entered into a settlement agreement and general release under which we and TSA agreed to pay plaintiff $100,000 and enter into an Assignment of Insurance Proceeds with plaintiff under which any insurance proceeds collected from franchisee's insurance carrier would be apportioned between us and plaintiff such that we would receive the first $100,000 collected, plaintiff would receive the second $100,000 collected, and we would receive any remaining insurance proceeds. On May 29, 2018, the court dismissed plaintiff's class allegations without prejudice and dismissed plaintiff's individual claims with prejudice.

1040, Inc., et al. v. Jackson Hewitt Inc. (Case No. L-005179-17; Superior Court of New Jersey, Law Division). This action was filed by 94 franchisees on December 21, 2017, alleging that we breached their franchise agreements and violated the New Jersey Consumer Fraud Act based on how we calculated and paid incentive payments for certain financial products. The plaintiffs sought monetary damages, punitive and treble damages, several declarations regarding the calculation of the incentive payments, access to various documents, and an award of attorneys' fees and costs. On April 13, 2018, on our motion, the court dismissed plaintiffs' punitive damages claim. The plaintiffs subsequently filed two amended complaints. We denied the plaintiffs' claims and asserted counterclaims against certain franchisee-plaintiffs and third-party claims against their guarantors for breaches of contract and guarantee for their failure to comply with their payment, training, financial, advertising, performance, and/or collateral agreement obligations. We also asserted a counterclaim against certain franchisee-plaintiffs seeking recovery of, or an offset against future incentive payments to those franchisee-plaintiffs for, certain overpayments we made to them and an award of our attorneys' fees and costs. Pursuant to the parties' agreement, the court proceeding was dismissed without prejudice on July 12, 2019, and the parties began arbitrating their disputes. In June 2020, the parties reached an agreement in principle to settle the case under which (1) we would pay plaintiffs $350,000 to be distributed among themselves as they determined, (2) the plaintiffs acknowledged our right to make certain deductions when calculating future incentive payments, (3) the plaintiffs agreed to enter into an amendment to their franchise agreement to clarify how future incentive payments would be calculated, (4) the parties released claims against each other with respect to the matters addressed in the arbitration, and (5) each party would be responsible for its own attorneys' fees and costs. The parties completed the execution of

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the settlement agreement on August 5, 2020 and filed a joint stipulation of dismissal with prejudice on that date.

O & W Taxes Inc. v. Jackson Hewitt Inc. (Case No. 1:20-cv-04576, United States District Court for the Northern District of Illinois) On August 4, 2020, former franchisee, O & W Taxes Inc., filed a complaint against us alleging breach of the plaintiff's franchise agreement based on wrongful termination. The complaint sought declaratory relief, temporary and permanent injunctive relief, and monetary damages. On September 15, 2020, the plaintiff voluntarily dismissed the case.

Other than these actions, no litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

In re Jackson Hewitt Tax Service, Inc., et al., Case No. 11-11587 (MFW) (Case No. 11-11587 (MFW)), filed May 24, 2011 in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). On May 24, 2011, our parent, JHTS, announced that it and its subsidiaries, including us (collectively, the "Company") had reached a definitive agreement with its secured lenders on a restructuring plan that would significantly reduce JHTS' outstanding debt and interest expense and create an appropriate capital structure to support the Company's business plans and operations going forward. In order to implement the financial restructuring, the Company filed voluntary petitions for reorganization under chapter 11 in the Bankruptcy Court, along with a pre-packaged plan of reorganization (the "Plan"). The Court confirmed an amended version of the Plan on August 9, 2011, and it became effective on August 16, 2011.

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

ITEM 5
INITIAL FEES

Application Fee. We charge a non-refundable application fee of $500, payable in a lump sum upon your submission of an application for a Franchised Business. Except in connection with certain sales programs and promotions, the application fee is uniformly charged to all new franchisees. We do not charge existing franchisees an application fee.

Initial Franchise Fee. If you sign a Franchise Agreement to operate a franchise from a standard office, you will be required to pay us a $7,500 initial franchise fee when you sign the Franchise Agreement.

If you are an existing Jackson Hewitt franchisee who has operated a franchise for a period of at least three Tax Seasons at the time of entry into a new franchise agreement, you may be eligible for the following reduced initial franchise fees: (i) $5,000 per territory if your existing operations have produced growth in your same-store tax returns ("SSR") over the three most recently completed Tax Seasons that is above the average SSR growth rate for all Jackson Hewitt franchisees; or (ii) $2,500 per territory if your existing operations have produced growth in your SSR over the three most recently completed Tax Seasons that is among the top quartile of all Jackson Hewitt franchisees. We may discontinue this discount program at any time in our discretion.

We may offer franchisees who meet our qualifications and who also operate at least one storefront location the opportunity to operate a Jackson Hewitt "kiosk" franchise. A kiosk is generally located on an interior pad located within another retail establishment. You will not incur an additional initial franchise fee if we grant you the right to operate a kiosk.

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The initial franchise fee is uniformly charged and is not refundable under any circumstances.

Initial Local Advertising. You must spend $5,000 in local advertising to advertise and market your business in the Territory during your first Tax Season (except in a facility within an Affinity Account or National Account, in which case you must are required to spend $1,000 in local advertising) unless you purchase an existing Franchised Business that has operated one full Tax Season during the immediately prior Tax Season. You may place this advertising or marketing yourself or you can pay the local advertising fee to us and have us place this advertising and marketing for you. If you pay us this amount, the amount is uniform and not refundable.

Required Products. You are required to acquire certain items that you will use in the initial development and operation of your business. You will execute the Agreement Regarding Purchase of Certain Branded Items, as attached as Exhibit F to this Disclosure Document (the "Storefront Purchase Agreement"). We will assist you in acquiring certain of those items on your behalf pursuant to the Storefront Purchase Agreement. You can purchase: (a) Package 1, comprising certain interior graphics and signage products, for $7,500; (b) Package 2, comprising Package 1 plus certain furniture items, for $15,500; or (c) Package 3, comprising Packages 1 and 2 plus certain technology products, for $20,000. These costs are uniform and not refundable. If the actual cost of the items in the designated Package exceeds the cost of the Package, we may advance the excess costs on your behalf, which we will then invoice you for the excess amounts. You must pay the excess amount in full by no later than 5 days after delivery of our invoice.

ITEM 6
OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty Fee (Franchise Agreement)	First Reporting Year—greater of 5% of Gross Volume of Business or $1,500 Second Reporting Year—greater of 10% of Gross Volume of Business or $4,000 Third and subsequent Reporting Year—greater of 15% of Gross Volume of Business or $5,250	From January 1 through April 30:on the 5th and 20th day of the month for the preceding half month From May 1 through December 31: monthly on the 5th day of each month for the prior month	See Note 1

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TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty Fee (NFA Renewal Addendum)	15% of Gross Volume of Business (or lower if your original franchise agreement provided for a lower royalty rate)	From January 1 through April 15: on the 5th and 20th day of the month for the preceding half month From April 16 through April 30: on the 5th day of May From May 1 through December 31: monthly on the 5th day of each month for the prior month	See Note 2
Advertising Fee	6.5% of Gross Volume of Business	Same as Royalty Fee	See Note 3
Technical Assistance Fee	Varies	On or about March 15 for technical support provided from January 1 through the last day of February, and on May 15 for technical support provided from March 1 through April 30	See Note 4
Amendment Fee	The greater of our costs associated with the amendment or $250	At time of amendment	Due only if we agree to amend your Franchise Agreement for any reason or grant a waiver or other accommodation
Direct Deposit User or License Fee	Actual cost	On invoice	If the IRS or any state tax authority imposes any fees in connection with electronic filing, you must pay all such fees in a timely manner. If we impose or collect any such fees for your Franchised Business, we will provide you with documents that detail any such charges
Technology Fee	Varies	On invoice	See Note 5
Service and Product Testing Fee	Varies	On invoice	If you ask us to evaluate a proposed service or product, we may require that you reimburse the expenses we or our Affiliates incur in assessing your proposed services or products.
Payments to Customers	Equal to the tax preparations fee and/or any other amounts we pay to your customers	On invoice	If you do not resolve customer complaints and the customers contact us, we may pay customers on your behalf, and you will be required to reimburse us.
Transfer Fee	$10,000 per Territory for 1 to 5 Territories; $7,500 per Territory for 6 to 15 Territories; $5,000 per Territory for 16 or more Territories	At time of transfer	See Note 6

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TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Processing Fee	400 to 1,000 tax returns = $1,000; 1,001 to 2,500 tax returns = $2,000; More than 2,500 tax returns = $2,500	Immediately after closing	If we disclose to you a Competing Business in your Territory, and we provide substantial assistance that results in your acquisition of the Competing Business, you must pay us this processing fee. The amount of the processing fee will be determined by the number of federal tax returns prepared by the Competing Business in the tax season immediately preceding the closing. You may have to sign a confidentiality agreement to obtain the name of the Competing Business or its owner. See Note 7
Late Gross Volume Report Fee	$50 per day	On invoice	Due only if you do not timely submit your "Gross Volume Report," which is a periodic report that describes and certifies your Gross Volume of Business. See Note 8
Interest on Late Payments	Lesser of 18% per year or the highest legal rate allowed in your state.	On invoice	Due only if you do not pay amounts owed by their due dates
Insufficient Funds Charge	$100	On demand	Due only if your checks are returned or if there are insufficient funds in your account when we attempt to withdraw fees owed
Non-Compliance Fee	Increase in Royalty rate by 1 percentage point	On demand	Imposed only if you are not in compliance with the Franchise Agreement or you or your Affiliates are not in compliance with any other agreement with us or our Affiliates; continues until all such defaults are cured. We will not increase the Royalty rate unless we have provided you written notice of the default and you have failed to cure such default within 5 days for a monetary default or 10 days for a non-monetary default.
Audit Expenses	Costs we incur for our employees' travel, room, board and other related expenses and, if applicable, our estimate for amounts owed based on our estimate of underreported Gross Volume of Business	On invoice	See Note 9

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TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Enforcement Costs	Varies	Upon settlement or entry of a judgment or court or administrative order	If we incur any costs or expenses, including attorney's fees, in connection with any action, claim or suit by you or us with respect to the Franchise Agreement or any collateral agreement, and we prevail in such action, claim or suit, then you will be required to pay all such costs and expenses
Indemnity	Varies	Upon settlement or entry of a judgment or court or administrative order	See Note 10
Liquidated Damages	Varies	Upon demand	See Note 11
Failure to Cooperate with Audit Fee	$5,000 for first failure; $10,000 for second or subsequent failure	Upon demand	If you fail to cooperate with an audit or investigation, you must pay us this fee to compensate us for the damages we will sustain as a result of your failure.
Failure to Submit Business Improvement Plan Fee	$2,500 for first failure; $5,000 for second failure	Upon demand	If you fail to submit a Business Improvement Plan by the BIP Submission Deadline (see Item 12), you must pay $2,500. If you fail to submit a Business Improvement Plan by the 2nd BIP Submission Deadline (also see Item 12), you must pay us $5,000 (if you have paid the $2,500 payment already for the first failure). These fees are a reasonable estimate of the damages we will sustain as a result of your failure to timely submit a Business Improvement Plan.
Unauthorized Advertising or Marketing Fee	$10,000 per instance	Upon demand	If you use unauthorized advertising or marketing in connection with your business, you must pay us this fee to compensate us for negatively impacting us, the Marks and the Network.
Fee for Violating a Manual Provision	$10,000 per instance	Upon demand	If you operate your business in breach of a provision in the Manual (see Item 11), you must pay us this fee to compensate us for negatively impacting us, the Marks and the Network.

Notes:

Unless otherwise indicated, all fees shown in the table above are payable only to us for our account, and we intend to impose them uniformly. All fees are nonrefundable.

Note 1 (Royalty Fee – Franchise Agreement): A "Reporting Year" means the period beginning on May 1 and ending on the following April 30 and includes the Tax Season typically ending before such April 30. "Gross Volume of Business" is all revenue generated or derived from the operation of your Jackson Hewitt Business (whether or not in compliance with the Franchise Agreement), in whatever form, including whether from cash, check, credit or debit card, barter exchange, trade credit, or other credit transactions, but excluding the following: (a) all federal, state, or municipal sales, use or service

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taxes collected from customers and paid to the appropriate taxing authority, (b) the amount of any documented refunds, credits and discounts of the types we authorize from time to time (items such as credit card fees and other service fees are not considered discounts) that you, in good faith, give to your customers, and (c) "Customer Bad Debt" (fees and charges that you customer fails to pay and that you do not collect). For products that you purchase from us or our Affiliates and sell to your customers, only that portion of the revenue from such sale that is in excess of the amount you paid us or our Affiliates for such product will be considered "revenue" for purposes of calculating your Gross Volume of Business.

If the Franchise Agreement is a successor to or renewal of a prior franchise agreement under which you operated the Franchised Business, and you are not signing the NFA Renewal Addendum, you will not get the benefit of the lower Royalty rates applicable to the 1st and 2nd Reporting Years. In addition, if the Franchise Agreement is signed in connection with your purchase of an existing Franchised Business, you will not get the benefit of the lower Royalty rates applicable to the 1st and 2nd Reporting Years.

We may, from time to time, provide for a reduced royalty or royalty structure on the portion of Gross Volume of Business attributable to Affinity Accounts or National Account Locations, in most cases, depending on the nature of the account or location, the deal terms and conditions we are able to negotiate with the particular Affinity Account or National Account, and whether you are a new or existing franchisee. If you sign the Conversion Program Amendment, you will not be required to pay a royalty on the Gross Volume of Business you derive from your existing customers.

In addition to any other rights or remedies we have under the Franchise Agreement, if we determine that (i) you are not in compliance with the Franchise Agreement or (ii) you are not, or your Affiliate is not, in compliance with any other franchise agreement with us or one of our Affiliates, your Royalty rate will be increased by one percentage point until such time as we determine, in our sole discretion, that you and your Affiliates, as applicable, have cured all deficiencies and are compliant with all terms of the Franchise Agreement or your Affiliate's franchise agreement, as applicable.

You must authorize us to debit your checking, savings or other account automatically for the Royalty, advertising and marketing fees, and other amounts due to us or our Affiliates and to third parties for whom we collect payments owed by our franchisees (the "EFT Authorization"). The EFT Authorization must remain in full force and effect during the Term. We will debit the account you designate for these amounts on their due dates (or the subsequent business day if the due date is a national holiday or a weekend day). You agree to ensure that funds are available in your designated account to cover our withdrawals. If you fail to timely submit a report of your Gross Volume of Business, we may debit your account for 110% of the average of the last three amounts that we debited for payment of those fees that are based on your Gross Volume of Business. If the amounts that we debit from your account are less than the amounts you actually owe us (once we have determined the true and correct Gross Volume of Business), we will debit your account for the balance on the day we specify. If the amounts that we debit from your account are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your account for the following payment owed. We may require you to pay any amounts due under the Franchise Agreement or otherwise by means other than automatic debit (e.g., by check) whenever we deem appropriate, and you agree to comply with our payment instructions.

Note 2 (Royalty Rate – NFA Renewal Addendum): If you are signing the NFA Renewal Addendum, your Royalty rate will be 15% of Gross Volume of Business. But if the Royalty rate that was provided for in your original franchise agreement was lower than 15% of Gross Volume of Business, then that lower rate will apply. In either case, you will not get the benefit of the lower Royalty rates applicable to the 1st and 2nd Reporting Years. In addition, during the term of the new Franchise Agreement, the Royalty on revenue you receive from your offering of a tax course will be reduced by 6%. For example,

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