

June 13, 2014

VIA EMAIL
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Steering Committee Members
BrightStar[®] Independent Franchisee Association
P.O. Box 10158
Palm Desert, CA 92255-1058

Re: Formation of the BrightStar[®] Independent Franchisee Association

Dear Steering Committee Members:

I am sending this letter in response to your June 10, 2014 letter to Shelly Sun and me - on behalf of the American Association of Franchisees & Dealers - announcing the formation of the BrightStar[®] Franchisee Association. While we certainly acknowledge your right to form an Association, we are going to respectfully decline your invitation to have a conference call with the Steering Committee.

It is our opinion that proper, functional channels already exist today for open, candid, and productive dialogue between our franchise owners and BrightStar Senior Management in the forms of the Franchise Advisory Council (FAC) and the CEO Feedback Group. The FAC, whose charter is to promote constructive, open, and two-way communications between franchise owners and BrightStar Franchising, has a member of this Association's Steering Committee as a sitting member. It is BrightStar Franchising's desire to have franchise owners, through the FAC, be an integral part of the planning process to establish initiatives to grow the franchise system and identify opportunities and challenges for franchise owners operating their businesses. We encourage other Steering Committee Members to seek one of the many FAC positions that will be filled this October. The welcomed participation of Steering Committee Members in the FAC's activities will give them an outlet to convey to BrightStar Franchising issues of interest and concern to the franchisees in the geographic areas they represent.

The CEO Feedback Group, created earlier this year and whose membership includes two Steering Committee Members, was established as another vehicle for direct, open communication between franchise owners with Shelly Sun. Shelly selected franchisees who will shoot straight and be constructive. Listening to successful franchisees on the front line can assist her in prioritizing resources and/or identifying where communication gaps exist. She picked top-performing franchisees representing all geographies with emphasis on the West since it has one open seat on the FAC that will not be filled until October 2014.

The FAC's role is to gain consensus among all franchisees in the participating regions and then consolidate feedback to provide the executive leadership team input on the priorities across the system. The CEO Feedback Group provides input based upon its members' particular, and personal, interests and opportunities. The CEO Feedback Group members represent only themselves and do not serve to solicit input from other franchisees, as with the FAC. By addressing input from both the FAC (representing all franchisees) and specific franchisees in the CEO Feedback Group, BrightStar Franchising will be able to prioritize and have traction on the germane issues, have transparency with and gain credibility from the system's biggest bellwethers, and make the most impact in the fastest way.

And finally, we recently created the Technology Committee, Advertising & Marketing Committee and the Skilled Business Committee, all of which include franchise owners nominated and elected by their peers as well as FAC members. The goal of these committees is to ensure franchise owners are an integral part of the prioritization process for enhancements in technology platforms, marketing, advertising programs, use of the General Marketing Fund (GMF) or Co-Op Advertising Fund (CAF) and to provide subject matter expertise on skilled revenue opportunities and how best to support these opportunities that have the greatest opportunity for franchisees system-wide.

The communication channels for franchisees already exist. The Steering Committee Members simply need to take advantage of them by participating in the FAC and CEO Feedback Group and by their active participation on each of these committees.

Respectfully,

BrightStar Franchising, LLC



Thom Gilday
President and Chief Operating Officer

cc: Robert L. Purvin, Jr.
Shelly Sun
BrightStar Franchise Advisory Council