

Confidential - For Store Owners Only
The Brown Shield Association, Inc.

MOVING FORWARD WITH LEGAL ACTION

This is an open invitation to Store Owners of Converted MBE's and New Gold Shield Stores to participate in legal action against our franchisor. (This invitation includes stores that have closed or sold.) It is our opinion that we have been damaged through MBE/UPS's efforts to force us to operate under a failed business model, misinformation from MBE/UPS, saturation of stores, rapidly increasing drop-off packages, UPS sales representatives taking/soliciting our accounts, no clear plan or direction for the stores to achieve profitability, direct competition from our franchisor (MBE/UPS), as well as additional damages.

During the past year, numerous attempts have been made on all levels to communicate our concerns and issues with our franchisor; through letters, emails, direct communication, the media, conferences with FAC/MAC/PACE members, discussions at convention, and the Brown Board Forum. In our opinion, we have reasonably exhausted every opportunity, leaving us with the only option MBE/UPS seems to listen to – Legal Action. To pursue this path, we, with the help of our fellow store owners, intend to file suit against our franchisor.

After numerous discussions and meetings, a law firm having vast knowledge and experience in dealing with MBE/UPS, has been identified. Attorneys have been doing research, and have identified numerous potential causes of action that can help us to move forward. Be assured, in our opinion, the firm we have chosen has extensive resources and skilled litigators who are well practiced and worthy of representing us.

It is important that you, as owners, know that a Statute of Limitations may be expiring. Although the statute does not cover all of the potential claims, in our opinion it may limit, for some of us, our ability to file legal action after the expiration. Simply said, in our opinion, for many of us, the "Window of Opportunity" for filing legal action is beginning to close.

It must be understood that when the case is filed in the state of California, there will be only a small window of time for any additional participants to join us. Either you are in, or you are out; we must have your decision whether or not to participate. In our opinion, the window of opportunity for some of us closes in a matter of weeks. Obviously, in order to make an informed decision you will need to review the claims and evaluate the legal firm we have identified to represent us. Please return the form below identifying yourself as an interested participant. We will then contact you with additional information about our claims and the firm we have chosen.

We know many of you are presently pursuing your own legal paths - that goes with out question. In our opinion we have legitimate claims against MBE/UPS, and this legal path offers each of us the best opportunity for a successful legal remedy. This is in no way a guaranteed solution, nor is it a fast or inexpensive process. You can reasonably estimate one – three years of hard work. In our opinion, MBE/UPS is counting on many of us to not have the patience or assets to follow thru with this endeavor. But, ultimately that is for each of you to decide. We estimate an opt-in fee of \$1000, and monthly payments to be determined by the number of participants (estimated at \$300-\$500 per month). The more stores willing to commit to this fight, the less it will cost each participant.

Please fax back the following form, with your information to the following number so we can count you IN on what we unfortunately believe to be our only solution.

Larry Bowdoin - 4881

Mike Gorlano - 3884

Louis Natelli - 2185

Bernie Benson - 4310

To discuss this and other related matters with your fellow owners go to www.TALKBROWN.com OR www.TheBROWNBOARD.com

Name _____ Store Number _____

Store Address _____

Mailing Address _____

Phone: (Store) _____ (Personal) _____

(Cell) _____ (Fax) _____

Email: (Personal) Do not use store email address _____

Multiple store owners - Please submit one form per participating store

Check here if not interested – your store will be removed from our contact list. (We need your name, store number & Fax# completed above to assure removal)

FAX YOUR INFORMATION TO: (866) 304-5674