



What's Brewing at Seekers®

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Greetings from Cindy & Paul



It is hard to believe that we are almost half way through 2006! Much has already taken place here at the SCHFC home office. We have continued to sharpen and fine tune all of the SCHFC systems and procedures. In the first quarter, we have interviewed and brought on board a national commercial Real Estate Company to help us locate the best available sites across the country, as well as to help us negotiate in the best interest of our



franchisees! Additionally, Seekers® began offering two new products under its franchise program. We are now offering Seekers® coffee carts and kiosks. You can read more about this exciting new program further in this newsletter. We have seen a great deal of inquiries, especially in markets where we have advertised the Seekers® concept and franchise opportunity! The balance of 2006 will continue to be a year of planning and adjusting as we look forward to the fourth quarter when more stores that are in the development phase will begin to open! We also look forward to completing our private stock offering in just a few months. Seekers® is alive and well, and we are excited as each day brings new adventure and opportunity to us and others! Continue to live, love and trust!

Carts & Kiosks are coming to Seekers®



What's that? You say you wish you could get a cup of Seekers® coffee while walking through the mall? Or a smoothie on campus? Well now it's possible. Seekers® is announcing the launch of its Cart and Kiosk concept. Now people can get the great taste of the Seekers® food and drink as they walk through malls, college campuses, special events and other non-traditional areas where a Seekers® store wouldn't be accessible. "It's a natural for our expansion efforts" says Paul Zorich, Vice President of SCHFC. "It won't have the ambiance of our Stores but the concept will

get our name and mission statement out there and drive attention and traffic to the Stores" says Zorich. The Carts are mobile structures that can be moved from event to event and will mainly serve coffee beverages and some light snacks. It will be a popular concept for indoor and outdoor venues and will be an exciting addition for some store owners that would like to have an outreach to the community beyond the limits of their store structure.

The kiosks are different than the cart concept in the sense they are a semi-permanent structure and much larger in size. These would be established in malls and buildings and would be limited to indoor venues. Kiosks will provide more than beverages and resemble the menu of a Store with a full line of beverages, smoothies, quick-serve foods and desserts for its customers.

We have the prototype for each model completed and are excited about this next phase of expansion for Seekers®. The initial investment for a Cart will be approximately \$48,000 - \$55,000 and the Kiosks will be between \$95,000 and \$115,000. Both costs include a \$10,000 initial franchise fee paid to SCHFC.

VENDOR RELATIONS MEETING IS A HIT!



In February of this year, SCHFC assembled all of the vendors that provide goods and services to our stores. Many of these vendors, both national and local viewed Cindy and Paul as the two people who owned and operated the original Seekers® store, but they did not know of, nor did they realize the growth potential and vision SCHFC. The vendors attended a mid day seminar and learned of the five year plan to open 100 Seekers® units around the country. The seminar proved to be successful as many of the vendors are anxious to partner with Seekers® by offering our franchisees better pricing and additional services to assist our growth initiatives! Just one more example of how SCHFC is helping our franchise family.

SCHFC PRIVATE STOCK OFFERING ENDS SOON

The SCHFC Private Stock Offering opportunity will be closing out this July. If you are able to invest a minimum of \$5,000, you can own a share of Seekers Coffee House Franchise Company. Please contact us for investor information.

Please sir . . . can I have more

John Campbell



This isn't just a line from a major motion picture . . . it's a sign that Multi-Unit franchising is coming to Seekers®. While in the past, we have grown through the sale of an individual franchise and will continue to do so, there is an opportunity for a franchisee to own multiple stores / carts / kiosks in a specific geography through our new concept of area development. Although this area development program isn't new to franchising, it will offer significant growth and opportunities to SCHFC that can benefit everyone. It's essentially an agreement between the franchisor and the franchisee to develop a minimum of 3 stores / carts / kiosks in a specific time period and geography that allows both parties to benefit.. In this case, Seekers® is afforded the opportunity of relying on fewer franchisees to build out and run units and develop recognition of our concept in a marketplace. For the franchisee, the return on their investment has an exponential component factored in as they are now relying on several store / cart / kiosk locations to provide the generation of revenue and income. Ultimately, every franchisee in the system will benefit with more branding and recognition of our products and services to the consumers. The more stores that open, the greater the perception by the public of who we are and what we offer is created. We recently began discussions with several prospective area

developers and are excited by their enthusiasm for our concept and the potential it offers our system and mission statement.

Please Welcome our Newest Franchisees

Carl & Nancy May from Stow, OH are the newest members of the Seekers® family. Carl and Nancy are excited about bringing a store to their town and anticipate being open for business by end of 2006. Carl's background is in corporate training and leadership development. Nancy has been involved in elementary education. Both are heavily involved in Stow Presbyterian Church and in Cornerstone Community school and feel this is an ideal extension for their ministry to the community they live in. Carl and Nancy have 4 children, Rebekah is 6, Alex 4, Mackenzie 3 and Rachel is 2.



Carl and Nancy May

What's New and Exciting at Seekers

Franchise Fees . . . Our franchise fee for Stores will be increasing **effective July 15, 2006**. The new initial franchise fee will be \$25,000 versus \$20,000 as originally set in 2002. "Our start up support and training has expanded dramatically since we began franchising in 2002. We needed to increase our fees to accommodate an improved initial training program which covers 15 days of classroom and hands on training of which 7 days are at the store once opened and then a follow up visit to inspect operations once the store is opened for several months." says Cindy Castelli, President.

Special Events . . . Our stores have introduced many exciting events over the first half of 2006 to include Sunday brunches, karaoke night, satellite feed of live broadcasts, sporting events and seminars. One such event took place in February entitled That's Amore . . . This Valentine's Day event had all you would expect with lots of love, food and great entertainment at Seekers Coffee House & Café in Middleburg Heights. Mark and Fran Kocurko hosted a night that featured a dinner/show event that sold out long before that evening. A local favorite, Melissa Barber, put on a Cabaret show that accompanied homemade pasta and meatballs with the dining room set with linen tablecloths, fresh flowers and rose petals strewn on the table to create that feeling of love or should we say "that's amore"!! A great time was had by all!

Seekers® in Portland, OR



l-r it's Franchisee Mark Naito, Cindy Castelli and Paul Zorich celebrating a recent site selection that will have Mark and Seekers® operating in Portland, OR by early '07

Congratulations

Welcome Isaac Christopher Rowley. Isaac was born April 23, 2006 and came into this world weighing 7 lbs, 11 ounces to be with his parents Michael & Marcy Rowley and his sister Olivia. All are doing well and it's back on the store location effort for Michael and Marcy as they prepare for opening their Seekers® store in the Columbus, Ohio market later this year.

Seekers® celebrates 5 years in business and going Strong!! The original Seekers® Coffee House & Café store in Middleburg Hts., Ohio opened in March 2001. They sold the store in October 2005 to franchisees Mark and Fran Kocurko but frequent it quite often and have many friends and fond memories of the store. Cindy Castelli, Paul Zorich and a host of their family and friends celebrated their birthday bash in Seekers® style at the store.

Bryan Duncan . . . always a hit at Seekers®



Bryan Duncan took to the stage at Seekers® in Fort Wayne, IN and Middleburg Heights, Ohio to sell out crowds. Always a crowd pleaser Bryan motivated the audience to participate in several songs and brought the crowd to its feet singing

Check our website for other national artists such as Darell Evans, Paul Colman and Shaun Groves playing at Seekers® soon.

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