



August 1, 2008

Dear Franchisee:

You may have heard we've been cleaning house; now we're moving the house. After three months of evaluation, the Cuppy's management team and I have determined it is in the best interest, for the future success of our franchisees and the company, to relocate the corporate offices to Muscle Shoals, Alabama effective September 1.

The Shoals is the sixth largest market in Alabama and offers numerous opportunities for business investment and enhanced quality of life. The mix of manufacturing, service industries, retail, medical and financial institutions gives the Shoals stability and strength. The area is known for its world-class golf, water recreation and rich musical heritage; most notably it is the home of Southern Rock n' Roll. We now look forward to putting the Shoals on the map as the home of Cuppy's Coffee.

Also home of FranSynergy, Muscle Shoals is centrally located and it will serve to reduce operational costs and provide an abundant pool of resources and employees within the franchising industry. These advantages will enable us to effectively restructure our systems and reach our long term goals together. You may recall, from the very first day that I acquired the company I've stated our short term goals to be:

1. Open all unopened stores as quickly as possible, and
2. Increase the gross sales and retained earnings of all present and future franchisees.

We will continue to keep you well informed as more details develop in the coming weeks. Several of our current team members will be relocating and others will be assisting in the transition in order to make this process as seamless as possible. Our phone numbers will remain the same and we will be available to assist you at the current hours of operation.

In closing I'd like to reiterate my commitment, as well as the commitment of everyone at the home office, to helping you achieve a very bright and profitable future as a Cuppy's Franchisee. Should you have any immediate concerns, please contact your FSM. We look forward to improving our level of service to you and hope you have an opportunity to visit us at our new corporate facilities in the future. Until then...

Believe & Succeed,

A handwritten signature in blue ink, appearing to read "Dale Nabors", with a long horizontal flourish extending to the right.

Dale Nabors