

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying, or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The following is historical financial information concerning the reported annual sales of a subset of our existing outlets, namely, those franchisees who reported gross sales and who were open for business for all of calendar year 2025 (40 single territory franchisees and 26 multiple territory franchisees, representing an aggregate total of 136 territories, or all but 1 of the territories open for all of 2025).

Annual Sales Levels

The following table shows annual gross sales reported by franchisees with a single territory and with multiple territories, that were in business throughout calendar year 2025. Figures for franchisees that had multiple territories are total sales for all territories – not average per territory – and if a franchisee's additional territory opened during 2025, the total sales do not represent a full year of sales for the additional territory. All gross sales figures are presented without regard to the size of the territory. Although we currently grant territories that include approximately 100,000 households, not all territories are that size. These variations in size arise both because we formerly sold territories of differing sizes and because territories can experience either growth or contraction after a franchise is sold.

During 2025 there were 40 reporting franchisees who operated a single territory throughout the year, and 26 reporting franchisees who operated multiple territories each throughout the year. The average number of multiple territories owned by these franchisees was 3.7.

These sales results are based upon sales reported to us by the franchisees. We do not have information concerning how our franchisees maintain their records, or whether those records are kept in accordance with generally accepted accounting principles.

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MEASURE	2025	2024	NUMBER OF FRANCHISEES/ TERRITORIES REPRESENTED	EXPLANATION
Average Sales – One Territory	\$506,934	\$418,805	40 franchisees/40 territories in 2025; 46 franchisees/46 territories in 2024.	Equals total sales by all franchisees owning one or multiple territories, divided by the number of franchisees with that number of territories.
Average Sales – Multiple Territories	\$1,499,950	\$1,333,769	26 franchisees/96 territories in 2025; 26 franchisees/98 territories in 2024.	16 or 40% of the single territory franchisees and 9 or 35% of the multiple territory franchisees attained or surpassed the stated average results for the year. The lowest amount reported for a single territory franchisee was \$14,875 and the highest was \$2,307,241. The lowest amount reported for a multiple territory franchisee was \$59,877 and the highest was \$7,543,354.
Median Sales – One Territory	\$322,264	\$328,540		Shows mid-point of annual sales by franchisees with indicated number of territories.
Median Sales – Multiple Territories	\$843,261	\$1,000,558		20 or 50% of the single territory franchisees and 13 or 50% of the multiple territory franchisees attained or surpassed the stated median results for the year.
75 th Percentile – One Territory	\$722,836	\$549,219		Reported sales by the 75 th percentile franchisee; only 25% of franchisees reported sales higher than this level.
75 th Percentile – Multiple Territories	\$1,709,062	\$1,731,804		

MEASURE	2025	2024	NUMBER OF FRANCHISEES/ TERRITORIES REPRESENTED	EXPLANATION
Average Sales of Middle 50% - One Territory	\$389,216	\$337,274	20 single territory franchisees representing 20 territories for 2025; 23 single territory franchisees representing 23 territories for 2024.	Equals the mean (average) annual gross sales of those franchisees whose reported sales fell between the top 25% and the bottom 25%.
Average Sales of Middle 50% - Multiple Territories	\$984,693	\$952,957	13 multiple territory franchisees representing 47 territories for 2025; 13 multiple territory franchisees representing 38 territories for 2024.	7 or 35% of the single territory franchisees and 5 or 38% of the multiple territory franchisees attained or surpassed the stated average results for the year. The lowest amount reported for a single territory franchisee was \$191,313 and the highest was \$706,611. The lowest amount reported for a multiple territory franchisee was \$462,295 and the highest was \$1,716,682.
Median Sales of Middle 50% - One Territory	\$322,264	\$328,540		Shows mid-point of annual gross sales by franchisees whose reported sales fell between the top 25% and the bottom 25%.
Median Sales of Middle 50% - Multiple Territories	\$843,261	\$1,000,558		16 or 50% of the single territory franchisees and 9 or 50% of the multiple territory franchisees attained or surpassed the stated median results for the year.

MEASURE	2025	2024	NUMBER OF FRANCHISEES/ TERRITORIES REPRESENTED	EXPLANATION
25 th Percentile – One Territory	\$184,961	\$180,913		Reported sales by the 25 th percentile franchisee; only 25% of franchisees reported sales lower than this level.
25 th Percentile – Multiple Territories	\$431,766	\$341,270		

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.

We will make written substantiation for these Financial Performance Representations available to you on your reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jarrett Smith at 19000 MacArthur Boulevard, Suite 100, Irvine, CA 92612, telephone (949) 404 1100, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

**ITEM 20. TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY FOR YEARS
ENDING DECEMBER 31, 2023, 2024, AND 2025**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	169	162	-7
	2024	162	144	-18
	2025	144	136	-8
Company-Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	2023	169	162	-7
	2024	162	144	-18
	2025	144	136	-8

**ITEM 20. TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS OTHER THAN
THE TAILORED CLOSET® FOR YEARS
ENDING DECEMBER 31, 2023, 2024, AND 2025**

State	Year	Number of Transfers
California	2023	0
	2024	1
	2025	0
Florida	2023	1
	2024	0
	2025	0
Indiana	2023	1
	2024	0
	2025	0
Minnesota	2023	2
	2024	0