

	<b>Provision</b>	<b>Section in Agreement*</b>	<b>Summary</b>
t.	Integration/merger clause	Section 15B	Only the terms of the Franchise Agreement and Area Development Agreement are binding (subject to state law). Any representations or promises made outside the Franchise Agreement, Area Development Agreement or this Disclosure Document may not be enforceable.
		Section 10D of the Area Development Agreement	
u.	Dispute resolution by arbitration or mediation	Section 12	Except for certain claims, all disputes must be mediated in the county in which our headquarters are then located (currently, Orange County, California) or at such other place as mutually acceptable, and, if not resolved in mediation, arbitrated in the county in which our headquarters are then located (currently, Orange County, California) or at such other place as mutually acceptable (subject to state law).
		Section 10N of the Area Development Agreement	
v.	Choice of forum	Section 15I	Litigation must be in the applicable federal or state court in the county in which our headquarters are then located (currently, Orange County, CA) (subject to state law).
		Section 10H of the Area Development Agreement	
w.	Choice of law	Section 15H	Except for claims under federal trademark law, and the parties' rights under the Federal Arbitration Act, the law of the state of the Authorized Location will govern any dispute (subject to state law).
		Section 10G.1 of the Area Development Agreement	Except for claims under federal trademark law, and the parties' rights under the Federal Arbitration Act, the law of the state in which the Development Territory is located, excluding any conflicts of laws provisions, will govern (subject to state law).

**ITEM 18**  
**PUBLIC FIGURES**

We do not use any public figures to promote this franchise.

**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: (i) a franchisor provides the actual records of an existing outlet you are considering buying; or (ii) 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.

This Item 19 includes a historical representation based on the past performance, during the time period of July 1, 2022 through June 30, 2023 and July 1, 2023 through June 30, 2024 (the "Reporting

Period”), of the one Sambazon store operated by our affiliate, Sambazon Restaurant Group, LLC (the “Affiliate Store”). The financial performance representations included in this Item 19 are unaudited actual financial results of the Affiliate Store for the Reporting Period. The Affiliate Store opened in 2011. As of the date of this Disclosure Document, there are no franchised Sambazon® stores in operation.

**Affiliate Store – July 1, 2022 – June 30, 2023 (the “Reporting Period”)**

	<b>July 1, 2022 – June 30, 2023</b>		<b>July 1, 2023 – June 30, 2024</b>	
		<b>% of Gross Sales</b>		<b>% of Gross Sales</b>
<b>Gross Sales</b>	\$1,090,191	100%	\$1,126,134	100.0%
<b>Cost of Goods Sold</b>	\$327,057	30.0%	\$348,699	31.0%
<b>Labor Costs</b>	\$293,355	26.9%	\$303,093	26.9%
<b>Total Prime Profit</b>	\$469,779	43.1%	\$474,342	42.1%
<b>Other Operating Expenses</b>	\$190,959	17.5%	\$224,256	19.9%
<b>Royalties</b>	\$54,510	5%	\$56,307	5%
<b>Brand Development Fund</b>	\$21,804	2%	\$22,523	2%
<b>Total Operating Profit</b>	\$202,391	18.6%	\$171,256	15.2%

**Notes**

As used in this Item 19, the following terms have the following meanings:

**“Gross Sales”** means and includes all revenue from the sale of all System menu items at the Store or under the Proprietary Marks, barter or exchange, complimentary products, and all other income or revenue of every kind and nature (excluding revenue from the sale of stored value gift cards or gift certificates but including revenue when gift certificates are redeemed or stored value gift cards are debited) related to the Store or the Proprietary Marks, whether for cash or credit or redemption of gift certificates or stored value gift cards, and regardless of collection in the case of credit; provided, however, that Gross Sales do not include (a) any sales tax collected from customers and transmitted by Licensee to the appropriate taxing authority, (b) all refunds and credits made in good faith to arms’ length customers; and (c) the discount value of all authorized coupons, vouchers or other allowances redeemed by Franchisee. For avoidance of doubt, Gross Sales include all proceeds from any business interruption insurance, the discount value of all unauthorized coupons, vouchers or other allowances redeemed by you and all refunds and credits not made to arms’ length customers.

**“Cost of Goods Sold”** means the total cost of the food, beverage and paper products sold to customers and/or used in the operation of the Affiliate Store during the Reporting Period.

**“Labor Costs”** means all salary and wage hours paid to team members and managers in the Affiliate Store, in addition to year-end bonus and commissions paid to team members and managers as well as health insurance, payroll taxes and worker's compensation insurance, during the Reporting Period.

**“Total Prime Profit”** means Gross Sales minus Cost of Goods Sold and Labor Costs.

**“Other Operating Expenses”** means all other expenses associated with the operations of the Affiliate Store, including, but not limited to, rent, liability insurance, merchant processing fees, marketing costs, delivery expenses, restaurant supplies, cleaning services, uniforms, technology fees, POS system fees, security monitoring, music subscription and menu board services. **NOTE:** The Other Operating Expenses

do not include the 5% Royalty Fee or 2% Brand Development Fee that franchisees will pay pursuant to their franchise agreement.

**“Total Operating Profit”** means Total Prime Profit minus Other Operating Expenses. Total Operating Profit is the operating profit generated by the store, excluding interest, taxes, and depreciation. **NOTE:** The Total Operating Profit does not take into account the 5% Royalty Fee or the 2% Brand Development Fee that franchisees will pay under their franchise agreement. There are no material operational characteristics of the Affiliate Store that are reasonably anticipated to differ materially from future operational franchise outlets.

**Some outlets have earned these amounts. Your individual results may differ. There is no assurance that you'll earn as much.**

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request. You should conduct an independent investigation of the costs and expenses you will incur in operating your Store. Franchisees or former franchisees, listed in this Disclosure Document, may be one source of this information. We also encourage you to consult with your own accounting, business and legal advisors.

Other than the preceding financial performance representation, SAMBAZON USA FRANCHISING LLC does 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 Store, however, we may provide you with the actual records of that Store. 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 Randy McBrayer, SAMBAZON USA FRANCHISING LLC, 209 Avenida Fabricante, Suite 200, San Clemente, CA 92672, (949) 498-8618, the Federal Trade Commission, and the appropriate state regulatory agencies.

## **ITEM 20** **OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**Systemwide Outlet Summary**  
**For years 2022, 2023, 2024\***

<b>Column 1</b> <b>Outlet Type</b>	<b>Column 2</b> <b>Year</b>	<b>Column 3</b> <b>Outlets at the Start of the Year</b>	<b>Column 4</b> <b>Outlets at the End of the Year</b>	<b>Column 5</b> <b>Net Change</b>
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company-Owned**	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	2022	1	1	0
	2023	1	1	0
	2024	1	1	0

\* The figures are as of June 30, 2022, 2023 and 2024.