

	PROVISION	SECTION IN DEVELOPMENT AGREEMENT	SUMMARY
			corporate headquarters. You must notify us of any potential disputes and we will provide you with notice as to whether we wish to mediate the matter or not. If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation (subject to state law).
v.	Choice of forum	Section 22	All claims and causes of action arising out of the Development Agreement must be brought in the state or, if appropriate, federal court of general jurisdiction that is closest to Los Angeles, CA or the city and state where we have notified you in writing we have established our then-current corporate headquarters (subject to applicable state law).
w.	Choice of law	Section 21(A)	The Development Agreement is governed by the laws of the state of California without reference to this state's conflict of laws principles (subject to state law), except that: (i) any disputes or actions involving any non-competition covenants set forth in any agreement with us, including the interpretation and enforcement thereof, must be governed by the law of the state where the Store is located; and (ii) any franchise-specific or franchise-applicable laws of California, including those related to pre-sale disclosure and the franchise relationship generally, will not apply to this Agreement or franchise awarded hereunder unless the awarding of said franchise specifically falls within the scope of such California laws, regulations or statutes without reference to and independent of any reference to this choice of law provision (subject to state law).

ITEM 18 PUBLIC FIGURES

We do not presently use any public figures to promote our franchises.

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 of a particular location or under particular circumstances.

Written substantiation for the financial performance representations made in this Item 19 will be made available to you upon reasonable request.

Some Bowie Barker Stores have earned these amounts. Your individual results may differ. There is no assurance you'll earn as much.

TABLE 1
ANNUAL GROSS SALES, COST OF GOODS SOLD, GROSS PROFIT, GENERAL EXPENSES, NET
INCOME, IMPUTED ROYALTY FEES AND IMPUTED TECHNOLOGY FEES AT 1 AFFILIATE-OWNED
BOWIE BARKER STORE DURING THE PERIOD MAY 1, 2023 THROUGH APRIL 30, 2024
(NOTES 1 -8, 11)

May 2023 - April 2024	Total	% of Gross Sales
Gross Sales (Note 2)	\$770,973	100%
Cost of Goods Sold (Note 3)		
Groomer & Bather Wages	\$262,304	34%
ER Taxes and Workers Comp	\$32,480	4%
Total Groomer/Bather Wages	\$294,784	38%
Product Cost (Retail)	\$8,933	1%
Grooming Supplies	\$10,893	1%
Credit Card Fees	\$30,845	4%
Total Cost of Goods Sold (Note 3)	\$345,455	45%
Gross Profit (Note 4)	\$ 425,518	55%
General Expenses (Note 5)		
Wages & Salaries		
Management	\$56,652	7%
Front Desk	\$ 76,354	10%
Benefits	\$5,400	0.7%
Payroll/Recruiting	\$3,900	0.5%
ER Taxes and Workers Comp	\$28,171	4%
Total Wages & Salaries	\$170,477	22%
Marketing	\$19,925	3%
Utilities	\$17,870	2%
Insurance	\$3,200	0.4%
Other Expenses	\$25,266	3%
Monthly Rent	\$78,158	10%
Total General Expenses (Note 5)	\$314,895	41%
Net Income (Note 6)	\$110,623	14%
Imputed Royalty Fee	\$46,258	6%
Imputed Technology Fee	\$12,000	2%
Net Income After Deduction of Royalty Fee and Technology Fee (Note 7)	\$ 52,365	7%

TABLE 2
SOURCES OF ANNUAL GROSS SALES AT 1 AFFILIATE-OWNED BOWIE BARKER STORE
DURING THE PERIOD MAY 1, 2023 THROUGH APRIL 30, 2024
(NOTES 1, 2, 8, 11)

May 2023 - April 2024	Total
Gross Sales	\$770,973
Services	\$353,305
Memberships	\$399,490
Product Sales	\$18,178

TABLE 3
MONTHLY MEMBERSHIP COUNT AT 1 AFFILIATE-OWNED BOWIE BARKER STORE
DURING THE PERIOD JUNE 1, 2022 THROUGH APRIL 30, 2024
(NOTES 1, 9, 11)

Month (Note 9)	Total Active Members (Note 9)	We Wash Members (Note 9)	You Wash Members (Note 9)
June 2022	156	125	31
July 2022	226	181	45
August 2022	275	220	55
September 2022	340	272	68
October 2022	400	320	80
November 2022	460	368	92
December 2022	499	399	100
January 2023	514	411	103
February 2023	549	439	110
March 2023	595	476	119
April 2023	639	511	128
May 2023	660	528	132
June 2023	675	540	135
July 2023	695	556	139
August 2023	715	572	143
September 2023	719	575	144
October 2023	747	598	149
November 2023	755	604	151
December 2023	772	618	154
January 2024	784	627	157
February 2024	789	631	158
March 2024	808	646	162
April 2024	825	660	165

TABLE 4
AVERAGE AND MEDIAN MONTHLY EMPLOYEE SALARY
AT 1 AFFILIATE-OWNED BOWIE BARKER STORE
DURING THE PERIOD MAY 1, 2023 THROUGH APRIL 30, 2024
(NOTES 1, 10, 11)

Employee (Note 10)	Average Monthly Salary (Note 10)	Median Monthly Salary (Note 10)
Bathers	\$ 18.91	\$ 19.07
Groomers	\$ 26.50	\$ 27.00
Front Desk	\$ 20.15	\$ 20.00
Manager	\$ 69,448	\$ 69,448

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NOTE 1:

On April 30, 2024, there was one Bowie Barker Store owned and operated by our Affiliate (the "Affiliate-Owned Store"). Tables 1 to 4 include actual historical information we accumulated for the one Affiliate-Owned Store for the 12 months ending April 30, 2024. The Affiliate-Owned Store is located in Los Angeles, California and opened in May 2022. The operations of the Affiliate-Owned Store included in Tables 1 to 4 is similar to the franchise offered in this Disclosure Document.

The figures in Tables 1 to 4 are taken from reports submitted to us by our Affiliate on Gross Sales (as defined in Note 2), Cost of Goods Sold (as defined in Note 3), Gross Profit (as defined in Note 4), General Expenses (as defined in Note 5), Total Expenses (as defined in Note 6), and Net Income (as defined in Note 7). Percentages (%) represent that category's value as a percentage of Gross Sales. All figures and percentages in Table 1 have been rounded up or down to the closest thousandth.

NOTE 2:

Gross Sales means the aggregate of the total of all revenues derived from sales of any nature or kind whatsoever from each Affiliate-Owned Store. Gross Sales excludes tips received by employees, the amount of bona fide refunds paid to customers and the amount of sales or use taxes actually paid to any governmental authority.

NOTE 3:

Cost of Goods Sold means the Affiliate-Owned Store's expenses groomers' and bathers' wages, workers comp insurance for groomers and bathers, product cost, grooming supplies and credit card processing fees.

NOTE 4:

Gross Profit means Gross Sales less Cost of Goods Sold.

NOTE 5:

General Expenses means our Affiliate's other expenses related to the operation of the Affiliate-Owned Store (other than expenses for Costs of Goods Sold), including administrative wages for general manager and receptionists, health insurance and benefits, payroll and recruiting, workers comp insurance for general manager and receptionists, marketing, utilities, liability and property insurance, rent and other expenses (office supplies and linen expenses).

Certain General Expenses were incurred during the period from May 1, 2023 to April 30, 2024, but were adjusted downwards:

Total Repairs and Maintenance: \$21,569 was spent to fix a mold issue due to improper waterproofing around the grooming tubs and a renovation of the shop to add more square footage in the back of house. Both of these are not recurring expenses expected of a new bowie locations. We estimate that Repairs and Maintenance could be \$150/month in Year 2 of operation.

Management Salary: our Affiliate paid its General Manager \$69,448 due to California minimum wage laws. It may or may not be necessary for you to have General Manager depending on how much time you spend managing your business. We allocated \$56,000 for a General Manager salary.

Our Affiliate offers medical benefits to its part-time employees as required by California law. This cost our Affiliate \$16,376. We have removed these as you may not offer benefits to part-time employees nor be legally required to. We included benefits for a General Manager, which you may or may not do.

Marketing Expense: our Affiliate incurred \$19,925 in annual local marketing expenses. You may spend more on marketing than our Affiliate did.

Our Affiliate incurred \$5,813 in overtime and meal break penalties that we removed from the payroll calculations in Table 1 as they are not typical of a franchisee expense.

NOTE 6:

Net Profit means our Affiliate's net earnings from the Affiliate-Owned Store, less Total Expenses.

NOTE 7:

Based upon the Gross Sales of the Affiliate-Owned Store, we imputed Royalty Fees that a franchisee would incur at 6% of Gross Sales and Technology Fees in the amount of \$12,000 (\$1,000 per month), which the Affiliate-Owned Store did not incur.

We have no reasonable basis to conclude that there will be material financial and operational differences between the Affiliate-Owned Store and operational franchised outlets, other than the Royalty Fees and Technology Fees that a franchisee would incur.

NOTE 8:

Table 2 shows three categories of sources of Annual Gross Sales: Services, Memberships and Products Sales.

NOTE 9:

We are a membership based business. Table 3 shows the total active members at our Affiliate-Owned Store from its first full month of operation, June 2022, through April 30, 2024. Our Affiliate-Owned Store offers "you wash" and "we wash" membership services. Under our "we wash" program, you will wash, dry and brush the dogs out for your customers, clip their nails, brush their teeth and clean their ears. Additional services you may provide include trims, de-shedding, and specialty shampooing and cuts. Under our "you wash" program, your customers will wash and dry their dogs themselves in your convenient dog tubs. Under this program, you will supply all the products and towels, however, your customers are also allowed to bring their own products and towels.

NOTE 10:

For purposes of Table 4, "Average Monthly Salary" means an employee's total salary for the 12 months ending on April 30, 2024, divided by 12.

For purposes of Table 4, “Median Monthly Salary” means the midpoint dollar of an employee’s total salary for the 12 months ending on April 30, 2024. The Median for a category with an odd number of data points will be the center number in that set. The Median for a category with an even number of data points is determined by taking the mean (average) of the two middlemost values in that category, which is calculated by adding those two values together and then dividing the aggregate by two.

NOTE 11:

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 Franchisor’s management by contacting Jeff Platt at 8149 Santa Monica Boulevard PMB 298, Los Angeles, California, 90046, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
SYSTEM-WIDE OUTLET SUMMARY
FOR FISCAL YEARS 2022 TO 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised				
	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company-owned*				
	2022	0	0	0
	2023	0	1	1
	2024	1	1	0
Total Outlets				
	2022	0	0	0
	2023	0	1	1
	2024	1	1	0

*this Store is owned and operated the Operating Company.