

<b>Provision</b>	<b>Section in franchise or other agreement</b>	<b>Summary</b>
		disclaim the express representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	§ 17.1	All disputes are resolved by arbitration (except for injunctive relief) (subject to applicable state law).
v. Choice of forum	§§ 17.1; 17.5	Arbitration will take place where our headquarters is located (currently, San Antonio, Texas) (subject to applicable state law). Any legal proceedings not subject to arbitration will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law).
w. Choice of law	§ 18.8	Texas (subject to applicable state law)

**For additional disclosures required by certain states, refer to Exhibit G - State Addenda to Disclosure Document**

**Item 18**  
**PUBLIC FIGURES**

We do not use any public figure to promote our 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: (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.

**2022 Financial Results**

The following chart contains selected 2022 financial performance information for the one Affiliate owned by our business that was open for the entire year. This company owned location is operated in the San Antonio, Texas market.

# Haute in Texas

## Annual Income Statement

For the period 2022

	Year	2022
<b>Revenues</b>		
Sales Revenue		350,168.26
Gain (Loss) on Exchange		-118.29
<b>Total Revenues</b>		<b>350,049.97</b>
<b>Cost of Sales</b>		
Cost of Service		11,970.79
<b>Total Cost of Sales</b>		<b>11,970.79</b>
<b>Gross Profit</b>		<b>338,079.18</b>
<b>Operating Expenses</b>		
Bank & ATM Fee Expense		300.00
Business Meals Expense		2,211.29
Charitable Contributions		1,600.16
Company Events Expense		40.00
Dues & Membership Expense		1,569.00
Facility & Utilities Expense		75.78
Gas & Auto Expense		21.93
Gifts Expense		1,429.91
Independent Contractor Expense		53,170.95
Insurance Expense - Business		750.36
Marketing & Advertising Expense		7,790.19
Merchant Fees Expense		5,133.10
Office Kitchen Expense		121.11
Office Supply Expense		1,643.12
Parking & Tolls Expense		205.67
Payroll Expense - Administration		217.44
Payroll Expense - Other		4,220.10
Payroll Expense - Payroll Tax		15,839.77
Payroll Expense - Salary & Wage - Gusto		61,507.23

Payroll Expense - Salary & Wage - Intuit   Inactive May 2022	22,488.42
Phone & Internet Expense	179.90
Postage & Shipping Expense	197.59
Professional Service Expense	14,458.83
Publication/Subscription Expense	15.11
Rent or Lease Expense	2,200.00
Software & Web Hosting Expense	18,186.65
Training & Education Expense	5,265.00
Travel & Transportation Expense	2,267.72
<b>Total Operating Expenses</b>	<b>223,106.33</b>
<b>Total Expenses</b>	<b>235,077.12</b>
<b>Net Profit</b>	<b>114,972.85</b>

Estimated Royalties: \$28,004  
 Estimated Marketing Fund: \$3,500.50

Notes:

1. The foregoing information shows historical financial performance and is not a projection of future performance. The financial information disclosed in this Item 19 is directly from the Affiliate owned business operated from San Antonio, Texas by Affiliate Company, Haute in Texas, LLC.

2. There was a total of one Haute In open for all of 2022, this one location was owned by our Affiliate company.

3. “Total Revenues” means total of all revenue in a period, not including discounts, taxes, tips/gratuity, voids, or refunds.

4. “Total Cost of Service” means the cost of direct expenses associated with delivering PR and advertising services to customers and clients.

5. “Total Expenses” means all expenses of the PR and Marketing services business including Labor, overhead expenses, advertising and all costs associated with operating the business. Each of the expenses associated with the Affiliate owned business during 2022 are disclosed and described by line item.

6. “Net Income” means Total Income minus all costs to operate the franchised business model before paying taxes, essentially EBITDA.

7. “Royalty/Marketing Fees” reflect the 8% royalty plus the 1% System Marketing Contribution that these outlets would have paid if they were franchised.

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

Written substantiation of the information contained in this Item 19 will be made available to prospective franchisees upon reasonable request.

Other than the preceding financial performance representation, Haute in 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 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 Aquila Mendez-Valdez and Orlando Mendez-Valdez, 24938 Cloudy Creek San Antonio, TX 78255, and 210-606-5251, the Federal Trade Commission, and the appropriate state regulatory agencies.

## **Item 20 OUTLETS AND FRANCHISEE INFORMATION**

**Table 1  
Systemwide Outlet Summary  
For Years 2020 to 2022**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Company-Owned	2020	1	1	0
	2021	1	1	0
	2022	1	1	0
Total Outlets	2020	1	1	0
	2021	1	1	0
	2022	1	1	0