

THE FRANCHISE RELATIONSHIP		
PROVISION	SECTIONS IN AGREEMENT	SUMMARY
t. Integration/merger clause	FA: 25.8	Only the terms of the Franchise Agreement, SOA (if applicable), ADA (if applicable) and their attachments are binding (subject to state law). Any representations or promises made outside the Disclosure Document, Franchise Agreement, SOA and ADA may not be enforceable. Nothing in the Franchise Agreement, SOA, ADA or any related agreements is intended to disclaim any of the representations we made in this Disclosure Document. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement or (b) disclaiming reliance on any statement made by any franchisor, franchise seller or other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.
	SOA: 11(a)	
	ADA: 12.7	
u. Dispute resolution by arbitration or mediation	FA: 23	Subject to state law, all disputes must be mediated or arbitrated before litigation, except for certain disputes involving our intellectual property or compliance with restrictive covenants.
	SOA: 5	Disputes governed by provisions in Franchise Agreement.
	ADA: 10	Subject to state law, all disputes must be mediated and then arbitrated before litigation.
v. Choice of forum	FA: 23	Subject to state law, all mediation, arbitration and litigation must take place in county where we maintain our principal place of business at time dispute arises (currently, King County, Washington).
	SOA: 5	Choice of forum provision in Franchise Agreement governs.
	ADA: 10	Subject to state law, all mediation, arbitration and litigation must take place in county where we maintain our principal place of business at time dispute arises (currently, King County, Washington).
w. Choice of law	FA: 25.1	Subject to applicable state law, Washington law governs.
	SOA: 5	Choice of law provision in Franchise Agreement governs.
	ADA: 12.1	Subject to applicable state law, Washington law governs.

ITEM 18 PUBLIC FIGURES

We do not use any public figures 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.

Defined Terms

For purposes of this FPR, the following terms have the meanings given to them below:

“Company-Owned Center” means any Center owned by: (a) us; (b) our affiliate; or (c) any person listed in Item 2 of this Disclosure Document if that person is also involved with management of the Center.

“FPR” means the financial performance representation set forth in Item 19 of this Disclosure Document.

“Franchised Center” means any Center owned by a franchisee.

“Gross Sales” means all gross sums collected from all goods and services sold, plus all other sums collected from the operation of the Center, including any advertising revenues, sponsorship fees, business interruption insurance proceeds and amounts that third-party marketing agencies, such as Groupon, receive and retain from your customers for marketing goods or services. Gross Sales does not include: (a) sales or use taxes; (b) amounts refunded to customers; or (c) Affiliate Program Sales or Special Program Sales.

“Measuring Period” means the period of time that begins January 1, 2024 and ends December 31, 2024.

“Qualifying Center” means any Company-Owned Center or Franchised Center that satisfies the following criteria: (a) the Center was open and operating throughout the entire Measuring Period; (b) the Center provided us with all data we requested in order to prepare the FPR; (c) the Center is not a Satellite Office; and (d) the Center does not operate remotely.

“Selected Expenses” includes the following Center expenses:

1. **General & Administrative**: includes operating expenses not included in any of the below categories such as office supplies, business insurance premiums, state and local taxes, and utilities.
2. **Instructor & TA Labor**: includes wages for all teaching and teaching assistant staff. This excludes wages or salaries for owner or management staff.
3. **Marketing**: includes all paid marketing efforts spent directly by franchisees, including hosting events at the Center, sponsorship fees, ad placements, and paid ad campaigns. This excludes the brand fund contribution (which is included under Royalties & Fees).
4. **Rent**: includes all payments made to the landlord or property manager to lease the space. This excludes any utilities (which are included under General & Administrative Expenses).
5. **Royalties & Fees**: includes all payments made to the franchisor and affiliates, including royalties, brand fund contributions, technology fees and BCP-LMS Monthly Fees (or equivalent fees).

System Statistics

For purposes of this FPR, each Center may be referred to as an “outlet.” As of December 31, 2024 (the last day of the Measuring Period) there were: (a) 36 Franchised Centers in operation, 27 of which are Qualifying Centers; and (b) 1 Company-Owned Center in operation, which is a Qualifying Center. The table below summarizes the outlet statistics and the number of Qualifying Centers:

System Statistics for FPR							
Outlet Type	2024 Transactions and Statistics				Satellite Offices	Operating Remotely	Qualifying Centers
	Open Jan 1, 2024	Openings	Closures	Open Dec 31, 2024			
Franchised	44	1*	9	36	4**	5**	27
Company-Owned	2	0	1*	1	0	0	1
Total	46	1	10	37	4**	5**	28

* This outlet was a Company-Owned Center that was sold to a franchisee in 2024. We have classified this outlet as a Franchised Center.

** One Franchised Center operates as both a Satellite Office and remotely and is included in both figures.

This FPR includes data from both Franchised Centers and Company-Owned Centers. We excluded data from: (a) 4 Franchised Centers that were open during the Measuring Period because they are Satellite Offices; (b) 5 Franchised Centers that operated remotely; and (c) 2 Franchised Centers that did not operate throughout the entire operating period (one of which was also operated remotely). There are no material differences between the operations of the Qualifying Centers and the franchised business offered under this Disclosure Document that impact the realization of Gross Sales.

Subsets Utilized

The FPR includes 2024 Gross Sales data for the 28 Qualifying Centers described above. We have broken down the data between Franchised Centers and the Company-Owned Center. We have also separately broken out the data for 27 Franchised Centers into subsets based on the top 1/3rd (highest Gross Sales), middle 1/3, and bottom 1/3 (lowest Gross Sales).

Financial Performance Representation

TABLE 1 - 2024 GROSS SALES: FRANCHISED OUTLETS					
Subset (Number of Outlets in Subset)	Highest	Lowest	Median	Average	Number & Percent that Achieved/Surpassed Average
All (27 Outlets)	\$468,728	\$46,510	\$219,476	\$209,044	15 of 27 (56%)
Subset 1 (9 Outlets)	\$468,728	\$248,563	\$304,918	\$310,026	3 of 9 (33%)
Subset 2 (9 Outlets)	\$248,171	\$144,960	\$219,476	\$207,730	6 of 9 (67%)
Subset 3 (9 Outlets)	\$130,303	\$46,510	\$124,101	\$109,376	5 of 9 (56%)

TABLE 2 - 2024 GROSS SALES: COMPANY-OWNED OUTLET	
1 Company-Owned Outlet	\$160,099

Notes to Tables 1 and 2:

- Source of Data:** We obtained Gross Sales data for Franchised Centers from revenue reports submitted by franchisees and the POS system used by franchisees. We obtained Gross Sales data for the Company-Owned Center from internally prepared financial statements for this outlet. The data has not been audited.
- Historical Data:** The data in this FPR is historical and represents the financial results achieved by the Qualifying Centers for the 2024 calendar year.
- No Expenses:** The financial performance representation in Tables 1 and 2 does not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Center. Franchisees or former franchisees, listed in the Franchise Disclosure Document, may be one source of this information.

2024 Survey of Selected Expenses

We sent out a survey to all Qualifying Centers on January 23, 2025 via email. We received 23 total responses prior to the February 10, 2025 deadline. Of these responses, 22 are from Franchised Centers and 1 from the Company-Owned Center.

TABLE 3 - 2024 GROSS SALES LESS SELECTED EXPENSES: FRANCHISED OUTLETS					
Category	Highest	Lowest	Median	Average	Number & Percent that Achieved/Surpassed Average
Gross Sales	\$468,728	\$46,510	\$220,717	\$216,810	14 of 22 (64%)
Instructor & TA Labor	\$162,500	\$15,885	\$50,318	\$54,417	10 of 22 (45%)

TABLE 3 - 2024 GROSS SALES LESS SELECTED EXPENSES: FRANCHISED OUTLETS

Category	Highest	Lowest	Median	Average	Number & Percent that Achieved/Surpassed Average
Rent	\$60,000	\$20,500	\$39,500	\$38,334	13 of 22 (59%)
Marketing	\$12,000	\$154	\$4,019	\$3,965	12 of 22 (55%)
General & Admin	\$49,109	\$6,800	\$15,419	\$17,830	9 of 22 (41%)
Royalties & Fees*	\$76,196	\$8,642	\$39,523	\$37,293	14 of 22 (64%)
Gross Sales Less Selected Expenses			\$70,045	\$65,963	11 of 22 (50%)

* The definition of “Royalties & fees” has been updated to include “BCP-LMS Monthly Fees.” However, during the Measuring Period, certain Franchised Centers may have been charged royalties on separate fees such as Curriculum Distribution fees and RLP fees. These have now been consolidated under the BCP-LMS Monthly Fee for reporting and royalty calculation purposes.

TABLE 4 - 2024 GROSS SALES LESS SELECTED EXPENSES: COMPANY-OWNED OUTLET

Gross Sales	\$160,099
Instructor & TA Labor	\$41,277
Rent	\$48,103
Marketing	\$4,455
General & Admin	\$18,214
Royalties & Fees	\$32,496
Gross Sales Less Selected Expenses	\$15,553

Notes to Tables 3 and 4:

- Source of Data:** We sent out a survey to all Qualifying Centers on January 23, 2025 via email. We received 23 total responses by the deadline given which was February 10, 2025. All of the data received was unaudited.
- Historical Data:** The data in this FPR is historical and represents the financial results achieved by the Qualifying Centers for the 2024 calendar year.
- Selected Expenses Only:** The financial performance representation in Tables 3 and 4 does not reflect every cost or expense that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Center. Franchisees or former franchisees, listed in the Franchise Disclosure Document, may be one source of this information.

Some Best in Class Education Centers have sold or earned this amount. Your individual results may differ. There is no assurance that you will sell or earn as much.

Written substantiation for this financial performance representation will be made available to you upon your reasonable written 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 Hao Lam at 4820 NE 4th St., Suite

A-107, Renton, Washington 98059 or by phone by calling (425) 880-2688, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

TABLE 1 - SYSTEM-WIDE OUTLET SUMMARY FOR 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	48	47	-1
	2023	47	44	-3
	2024	44	36	-8
Company-Owned	2022	7	4	-3
	2023	4	2	-2
	2024	2	1	-1
Total Outlets	2022	55	51	-4
	2023	51	46	-5
	2024	46	37	-9

TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2022 TO 2024

State	Year	Number of Transfers
Florida	2022	0
	2023	2
	2024	0
Ohio	2022	0
	2023	2
	2024	0
Texas	2022	1
	2023	1
	2024	1
Washington	2022	2
	2023	0
	2024	0
Total	2022	3
	2023	5
	2024	1

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2022 TO 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
California	2022	14	0	0	0	0	1	13
	2023	13	3	0	0	0	2	14
	2024	14	0	0	0	0	6	8
Florida	2022	3	0	0	0	0	0	3