

s. Modification of the agreement	18.L.	Requires writing signed by you and us, except for unilateral changes that we may make to the Manuals or our unilateral reduction of the scope of a restrictive covenant that we may make in our discretion.
t. Integration/merger clauses	18.M.	Only the terms of the Franchise Agreement and schedules to the Franchise Agreement and the respective signed exhibits to the Franchise Agreement are binding, subject to state law. Nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	18.G.	Except for certain claims for injunctive relief, all disputes must first be submitted to non-binding mediation in Clark County, Nevada and, if mediation is unsuccessful, then to binding arbitration in Clark County, Nevada. This provision is subject to applicable state law.
v. Choice of forum	18.G.	All mediation, arbitration and, if applicable, litigation proceedings must be conducted in, or closest to, State court of general jurisdiction that is within or closest to Clark County, Nevada. This provision is subject to applicable state law.
w. Choice of law	18.F.	Nevada law will govern. However, this provision is subject to state law and as otherwise disclosed in <u>Exhibit H</u> to this Disclosure Document.

ITEM 18

PUBLIC FIGURES

We do not currently use any public figure to promote our franchise. No public figure is currently involved in our management.

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) 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.

DEFINITIONS

(a) Average – means the sum of all data points in a set, divided by the number of data points in that set.

(b) Bank Product Returns – refers to and means a financial service provided by tax preparers of a Toro Taxes Business that allows the deduction of tax preparation fees directly from a client's tax refund. This

service enables Toro Taxes Business tax professionals to collect their fees from the refund itself rather than requiring payment upfront from clients.

(c) Calendar Year – means, as to each respective year, the 12-month period commencing on January 1st and ending on December 31st.

(d) Cash File Returns – refers to and means the process where a tax return is paid for in the form of cash, check, or credit card by the client at the time of service, rather than using deferred payment options or deductions from a tax refund.

(e) Company Owned Outlet – means an Outlet owned either directly or indirectly by us, our affiliate or any person identified in Item 2 of this Disclosure Document. A Company Owned Outlet also includes any Outlet that is operated as a joint venture owned in part by us, our affiliate or any person identified in Item 2 of this Disclosure Document, and that is managed by us, our affiliate or any person identified in Item 2.

(f) Franchise Outlet – refers to a Toro Taxes Business operated under a Franchise Agreement that is not a Company Owned Outlet.

(g) Median – means the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing by two.

(h) Operational Company Owned Outlet – means, as to a particular Calendar Year, a Company Owned Outlet that was open and in operation on or prior to the commencement of the Calendar Year and remained in operation through the entire respective Calendar Year.

(i) Operational Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that was open and in operation on or prior to the commencement of the Calendar Year and remained in operation through the entire respective Calendar Year.

(j) Outlet – refers to a Toro Taxes Business that is either a Company Owned Outlet or a Franchise Outlet, as the context requires.

(k) Tax Preparation Fee – refers to and means the tax preparation fee charged by a tax professional for preparing and filing an individual's or company's tax returns. The Tax Preparation Fee varies based on the complexity of the tax return, the type of forms required, and other related services provided by the tax preparer.

(l) Tax Returns – refers to and means the forms filed with the Internal Revenue Service (IRS) that report income, expenses, and other relevant tax information. Tax Returns help taxpayers calculate their tax liability, schedule tax payments, or request refunds for overpaid taxes. In the U.S., individuals file forms like the 1040, and corporations file forms such as the 1120 or 1065S, depending on their structure.

BASES AND ASSUMPTIONS

The financial information was not prepared on a basis consistent with generally accepted accounting principles. Data for our Franchise Outlets is based on information reported to us by our franchisees. Data for our Company Owned Outlets is based on information reported to us by our affiliate. The information in this analysis has not been audited, is based on historical financial data and is not a forecast or projection of

future financial performance.

ANALYSIS OF RESULTS OF COMPANY OWNED OUTLETS

During the 2024 Calendar Year we had a total of 14 Company Owned Outlets. Of our 14 Company Owned Outlets, 12 Outlets were Operational Company Owned Outlets. Material financial and operational characteristics that are reasonably anticipated to differ from future operational franchise outlets include: (a) managerial skill and efficiency experienced by our Company Owned Outlets as a result of our extensively experienced management team; (b) brand recognition within the local markets in which our Company Owned Outlets operate; and (c) no obligation to pay ongoing monthly fees that a franchisee will pay to us, such as Royalty Fees, DMA Marketing Funds Fees and Global Brand Development Fund Fees.

As to the 2024 Calendar Year reported below, we provide select financial data for our Operational Company Owned Outlets.

Table 1

All Operational Company Owned Outlets 2024 Calendar Year Select Performance Data	
	2024 Calendar Year
Average Number of Overall Returns Created Per Company Owned Outlet	364.8
Median Number of Overall Returns Created Per Company Owned Outlet	255.5
Average Number of Cash File Returns Created Per Company Owned Outlet	226.1
Median Number of Cash File Returns Created Per Company Owned Outlet	153.5
Average Number of Bank Product Returns Created Per Company Owned Outlet	138.7
Median Number of Bank Product Returns Created Per Company Owned Outlet	107.0
Average Overall Fee Per Tax Return	\$271.61
Median Overall Fee Per Tax Return	\$294.61
Average Tax Preparation Fee Per Cash File Return	\$200.46
Median Tax Preparation Fee Per Cash File Return	\$175.90
Average Tax Preparation Fee Per Bank Product Return	\$387.53
Median Tax Preparation Fee Per Bank Product Return	\$357.85

Table 2

All Operational Company Owned Outlets 2024 Calendar Year Select Performance Data				
	Average	Median	High	Low
Tax Preparation Gross Sales ¹	\$45,321.78	\$27,000.00	\$180,626.40 ¹	\$2,810.00 ¹
Bank Product Returns Gross Sales ²	\$53,769.49	\$38,289.50	\$168,302.10 ²	\$525.00 ²
Total Gross Sales	\$99,091.27	\$75,272.15	\$227,761.18	\$7,975.00

Notes:

¹ As to Tax Preparation Gross Sales, the High number was achieved by a Company Owned Outlet that was originally established and in operation since May 2007 and is approximately 830 square feet. The Low number was achieved by a Company Owned Outlet that was originally established and in operation since January 2012 and is approximately 950 square feet.

¹ As to Bank Product Returns Gross Sales, the High number was achieved by a Company Owned Outlet that was originally established and in operation since December 15, 2015 and is approximately 1,044 square feet. The Low number was achieved by a Company Owned Outlet that was originally established and in operation since January 2013 and is approximately 930 square feet.

ANALYSIS OF RESULTS OF FRANCHISE OUTLETS

During the 2024 Calendar Year we had a total of 195 Franchise Outlets. Of our 195 Franchise Outlets, 155 Outlets were Operational Franchise Outlets. We do not include data for 40 Franchise Outlets that were not open and operational for the entire 2024 Calendar Year. Below we provide select financial data for our Operational Franchise Outlets during the respective 2024 Calendar Year.

Table 3

All Operational Franchise Outlets 2024 Calendar Year Select Performance Data	
	2024 Calendar Year
Average Number of Overall Returns Created Per Franchise Outlet	240.8
Median Number of Overall Returns Created Per Franchise Outlet	149.0
Average Number of Cash File Returns Created Per Franchise Outlet	188.9
Median Number of Cash File Returns Created Per Franchise Outlet	118.0
Average Number of Bank Product Returns Created Per Franchise Outlet	51.9
Median Number of Bank Product Returns Created Per Franchise Outlet	18.0
Average Overall Fee Per Tax Return	\$283.34
Median Overall Fee Per Tax Return	\$282.54
Average Tax Preparation Fee Per Cash File Return	\$234.96
Median Tax Preparation Fee Per Cash File Return	\$191.87
Average Tax Preparation Fee Per Bank Product Return	\$459.18
Median Tax Preparation Fee Per Bank Product Return	\$431.44

Table 4

All Operational Franchise Outlets 2024 Calendar Year Select Performance Data				
	Average	Median	High	Low
Tax Preparation Gross Sales ¹	\$44,373.40	\$22,641.00	\$629,547.20 ¹	\$0 ¹
Bank Product Returns Gross Sales ²	\$23,853.82	\$7,766.00	\$662,616.70 ²	\$0 ²
Total Gross Sales	\$68,227.21	\$42,099.20	\$697,531.60	\$572.00

Notes:

¹ As to Tax Preparation Gross Sales, the High number was achieved by a Franchise Outlet that was originally established and in operation since January 2015 and is approximately 1,500 square feet. The Low number was achieved by a Franchise Outlet that was originally established and in operation since October 2020 and is approximately 1,100 square feet.

¹ As to Bank Product Returns Gross Sales, the High number was achieved by a Franchise Outlet that was originally established and in operation since November 2015 and is approximately 1,250 square feet. The Low number was achieved by a Franchise Outlet that was originally established and in operation since January 2023 and is approximately 1,440 square feet.

Some Outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request.

Other than the preceding financial performance representation, Toro Taxes Franchise, LLC does not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. 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 Nick Maldonado, Toro Taxes Franchise, LLC at 6130 Elton Avenue, Las Vegas, Nevada 89107 and (800) 867-6829, 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 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	168	183	+15
	2023	183	181	-2
	2024	181	205	+24
Company Owned	2022	32	14	-18
	2023	14	14	0
	2024	14	14	0
Total Outlets	2022	200	197	-3
	2023	197	195	-2
	2024	195	219	+24

TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2022 to 2024

State	Year	Number of Transfers
Colorado	2022	0
	2023	5
	2024	1