

	Provision	Article in Franchise Agreement	Summary
			or arising out of any warranty issue; or (iii) any of the restrictive covenants contained in this Agreement.
v.	Choice of forum	Article 18.4	All claims not subject to mediation must be brought before a court of general jurisdiction in Suffolk County, New York, or the United States District Court for the Eastern District of New York. You consent to the personal jurisdiction and venue of any court of general jurisdiction in Suffolk County, New York, and the United States District Court for the Eastern District of New York (subject to state law).
w.	Choice of law	Article 18.1	The franchise agreement is governed by the laws of the State of New York (subject to state law).

### **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.

#### **HISTORICAL FINANCIAL PERFORMANCE REPRESENTATION**

As of December 31, 2024, there were a total of nine Appell® territories in operation, one affiliate-owned territory in operation and eight franchised territories in operation. The eight franchised territories in operation consist of: (a) one franchised territory owned and operated by one Florida franchisee; (b) two franchised territories owned and operated by one New Jersey franchisee; (c) four franchised territories owned and operated by one Georgia franchisee; and (d) one franchised territory owned and operated by one Pennsylvania franchisee. Two of the franchised territories first commenced operations in 2023 and the remaining six franchised territories first commenced operations in 2024. During the 2024 calendar year, we terminated one franchisee who was operating one territory in Ocala, Florida. The information presented in this Item 19 excludes this terminated franchisee.

The historical financial performance information presented in this Item 19 presents the following:

1. Tables 1-A and 1-B reflect: (a) the Gross Sales generated System-wide in connection with the performance of services for jobs generated through National Accounts during the 2023 and

2024 calendar years, broken down by state; and (b) the total number of jobs performed for National Accounts during the 2023 and 2024 calendar years, broken down by state.

2. We asked each of our franchisees and our affiliate to: (a) select one sample job generated from a local lead source and performed in the 2024 Calendar Year (the “Sample Local Job”) and one sample job generated from a National Account lead source and performed in the 2024 Calendar Year (“Sample National Account Job”); and (b) to provide to us certain requested data for the Sample Local Job and Sample National Account Job selected. Tables 2-A through 2-E reflect the data reported to us by the Reporting Outlets for the Sample Local Job selected and the Sample National Account Job selected.

The information presented in this Item 19 was reported to us by the Reporting Outlets and was not audited or independently verified.

**Table 1-A: Total System-Wide Gross Sales Generated through National Account Jobs During the 2024 Calendar Year Broken Down by State**

<b>State</b>	<b># of National Account Jobs During the 2024 Calendar Year</b>	<b>Total Gross Sales from National Account Jobs During 2024 Calendar Year</b>
AK	3	\$44,615.50
AL	17	\$105,894.00
AR	3	\$21,670.00
AZ	56	\$429,865.63
CA	107	\$306,151.00
CO	25	\$83,828.00
CT	6	\$16,690.00
DE	1	\$3,750.00
FL	105	\$1,001,252.78
GA	28	\$282,342.00
IA	9	\$33,808.00
ID	1	\$14,960.00
IL	51	\$670,872.00
IN	24	\$112,321.00
KS	11	\$63,389.00
KY	31	\$258,557.00
LA	6	\$47,894.00
MA	8	\$19,776.00
MD	17	\$213,021.00
ME	3	\$30,466.00

State	# of National Account Jobs During the 2024 Calendar Year	Total Gross Sales from National Account Jobs During 2024 Calendar Year
MI	19	\$469,923.30
MN	24	\$118,044.00
MO	43	\$205,697.00
MS	2	\$4,980.00
MT	1	\$3,953.00
NC	24	\$194,693.00
ND	2	\$6,954.00
NE	18	\$57,095.00
NJ	26	\$131,278.34
NM	4	\$12,395.00
NV	18	\$34,524.00
NY	39	\$173,404.00
OH	65	\$320,061.00
OK	28	\$101,724.00
OR	17	\$71,749.00
PA	20	\$117,548.00
RI	1	\$9,875.00
SC	23	\$81,379.00
SD	4	\$73,849.00
TN	15	\$140,843.00
TX	92	\$859,204.92
UT	10	\$28,285.00
VA	20	\$194,216.00
VT	1	\$4,932.00
WA	16	\$161,107.01
WI	6	\$18,570.00
WV	2	\$131,694.00
WY	2	\$6,830.00
<b>Grand Total</b>	<b>1054</b>	<b>\$7,495,930.48</b>

**Table 1-B: Total System-Wide Gross Sales Generated through National Account Jobs During the 2023 Calendar Year**

<b>State</b>	<b># of National Account Jobs During the 2023 Calendar Year</b>	<b>Total Gross Sales from National Account Jobs During 2023 Calendar Year</b>
AL	14	\$ 92,667.00
AR	4	\$ 38,444.00
AZ	29	\$ 63,611.00
CA	91	\$ 276,144.00
CO	20	\$ 58,173.00
CT	20	\$ 26,040.00
FL	79	\$ 398,813.00
GA	20	\$ 187,532.00
IA	8	\$ 35,920.00
IL	31	\$ 122,637.00
IN	6	\$ 19,158.00
KS	8	\$ 21,280.00
KY	29	\$ 223,914.90
LA	12	\$ 84,435.00
MA	7	\$ 47,799.00
MD	8	\$ 70,650.00
ME	3	\$ 107,406.00
MI	22	\$ 444,392.00
MN	34	\$ 286,699.00
MO	33	\$ 261,726.00
MS	6	\$ 31,322.00
NC	13	\$ 67,521.00
NE	16	\$ 40,653.00
NH	41	\$ 69,975.00
NJ	56	\$ 226,526.29
NM	1	\$ 1,600.00
NV	18	\$ 68,560.00
NY	141	\$ 536,914.00
OH	74	\$ 317,393.00
OK	25	\$ 91,578.00
OR	5	\$ 95,117.00
PA	26	\$ 219,304.00
RI	5	\$ 18,173.00

<b>SC</b>	18	\$	97,408.00
<b>SD</b>	2	\$	13,180.00
<b>TN</b>	12	\$	180,268.00
<b>TX</b>	29	\$	191,135.00
<b>UT</b>	6	\$	22,530.00
<b>VA</b>	21	\$	79,037.00
<b>VT</b>	1	\$	21,070.00
<b>WA</b>	15	\$	59,442.00
<b>WI</b>	10	\$	180,829.00
<b>WV</b>	2	\$	29,085.00
<b>Grand Total</b>	<b>1021</b>	<b>\$</b>	<b>5,526,061.19</b>

**Tables 2-A through 2-E: Project Type, Gross Sales, Materials Cost, Labor Hours, Acquisition Cost, Royalty, Brand Fund, Gross Margin, Gross Margin Percentage for each of the Sample Local Jobs and Sample National Account Jobs Reported to Us**

**Table: 2-A - Affiliate Location (Long Island, New York)**

Source	Project	Gross	Material Cost	Labor Hours	Labor Cost	Acquisition Cost	Royalty	Brand Fund	Gross Margin	Gross Margin %
<b>Local</b>	Striping	\$1,500	\$300	6	\$288.00	\$0	\$120.00	\$15.00	\$777.00	51.8%
<b>National</b>	Repair	\$1,750	\$193	10	\$405.00	N/A	\$262.50	\$17.50	\$872.00	49.8%

**Table: 2-B – Franchised Location (Bergen County, New Jersey)**

Source	Project	Gross	Material Cost	Labor Hours	Labor Cost	Acquisition Cost	Royalty	Brand Fund	Gross Margin	Margin %
<b>Local</b>	Striping	\$1,101	\$287	8	\$240	\$261	\$88.00	\$11	\$214.00	19.4%
<b>National</b>	Striping	\$1,462	\$380	12	\$360		\$219.30	\$14.62	\$488.08	33.3%

**Table: 2-C – Franchised Location (Chester, Pennsylvania)**

Source	Project	Gross	Material Cost	Labor Hours	Labor Cost*	Acquisition Cost	Royalty	Brand Fund	Gross Margin	Margin %
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<b>Local</b>	Striping	\$1,500	\$350	8		\$50	\$120.00	\$15.00	\$965.00	64.3%
<b>National</b>	Striping	\$1,250	\$350	8			\$187.50	\$12.50	\$700.00	56%

*\*Franchisee performed labor*

**Table: 2-D – Franchised Location (Atlanta, Georgia)**

Source	Project	Gross	Material Cost	Labor Hours	Labor Cost	Acquisition Cost	Royalty	Brand Fund	Gross Margin	Margin %
<b>Local</b>	Seal/Stripe	\$6,428.00	\$1,400	48	\$1,200	\$200.00	\$514.24	\$64.28	\$3,049.48	47.4%
<b>National</b>	Seal/Stripe	\$4,244.68	\$1,000	36	\$900		\$636.70	\$42.45	\$1,665.53	39.2%

**Table: 2-E – Franchised Location (Sarasota, Florida)**

Source	Project	Gross	Material Cost	Labor Hours	Labor Cost	Acquisition Cost	Royalty	Brand Fund	Gross Margin	Margin %
<b>Local</b>	Striping	\$4,025	\$575.00	22	\$620	\$250	\$322.00	\$40.25	\$2,217.75	55%
<b>National</b>	Seal/Stripe	\$3,500	\$1,290.00	18	\$507		\$525.00	\$35.00	\$1,143.00	32.6%

**Notes:**

1. General. As disclosed above, we asked each of our franchisees and our affiliate (the “Reporting Outlets”) to select one Sample Local Job and one Sample National Account Job performed in the 2024 Calendar Year; and (b) to provide to us certain requested data for the Sample Local Job and Sample National Account Job selected. Tables 2-A through 2-E reflect the data reported to us by the Reporting Outlets for the Sample Local Job each such Reporting Outlet selected and the Sample National Account Job each such Reporting Outlet selected.
2. Definitions:
  - a. “Project” means the type of services provided by the Reporting Outlet in connection with the local sourced job selected by the Reporting Outlet.
  - b. “Gross” means gross sales derived in connection with the single Sample Local Job and Sample National Job selected by each of the Reporting Outlets, as reported to us by the applicable Reporting Outlet.
  - c. “Material Cost” means the total cost of materials for each of the Sample Local Job and Sample National Job, as reported to us by each of the Reporting Outlets.
  - d. “Labor Hours” means the total number of hours worked on the Sample Local Job and Sample National Job, as reported to us by each of the Reporting Outlets.
  - e. “Labor Cost” means the total wages, salaries, bonuses and payroll taxes for all hourly employees and managers for the Sample Local Job and Sample National Job, as reported to us by each of the Reporting Outlets. Labor Costs DO NOT include any salaries or wages for owners or officers.
  - f. “Acquisition Cost” means the total cost incurred by the applicable Reporting Outlet to secure the Sample Local Job, as reported to us by each of the Reporting Outlets.
  - g. “Royalty” means the total royalty fees paid to us by the applicable Reporting Outlet for the Sample Local Job and Sample National Job, as reported to us by each of the Reporting Outlets.

- h. “Brand Fund” means the total Brand Fund contributions paid to the Brand Fund by the applicable Reporting Outlet for the Sample Local Job and Sample National Job, as reported to us by each of the Reporting Outlets.
  - i. “Gross Margin” means Gross Sales less Material Costs, Acquisition Cost, Royalty, Brand Fund, and Labor as defined above. Additional expenses, including, without limitation, insurance, fuel, services fees, and other monthly and annual expenses are not included in the calculation of Gross Margin.
- 3. Limited Data Presented. The information presented in Tables 2A through 2E above is limited to one locally sourced job selected by each of the Reporting Franchisees, and one job sourced by a National Account selected by each of the Reporting Franchisees. We make no representations regarding the actual or projected total number of locally sourced jobs or jobs sourced by National Accounts.
- 4. National Account Jobs; No Guarantee of Job Referrals. National Account jobs are not guaranteed. We are not obligated to secure National Account Jobs or to provide you with referrals for any National Account Jobs. Our arrangements with National Accounts may change at any time. We do not guaranty any level of Gross Sales to be generated either in connection with National Account jobs, or locally sourced jobs.

**Some outlets have sold this amount. Your individual results may differ. There is no assurance that you’ll earn as much.**

Upon your written request, we will make available to you written substantiation of the data used in preparing this data.

You will be responsible for developing your own business plan for your Franchised Business. You should conduct an independent investigation of the costs and expenses you will incur in launching and operating your Franchised Business, and you are encouraged to consult with your own accounting, business, and legal advisors in doing so before you sign any agreement with us.

Except as specified above, we do 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 Appell Franchising LLC, at 6 Willowbrook Avenue, Bay Shore, New York 11706 or by phone at 615-230-5966, 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, 2023 and 2024**