

## **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 franchise and/or franchisor-owned outlets if there is a reasonable basis for this information and if the information is included in the disclosure document. Financial performance information that is 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 Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The chart below entitled "All Franchised Businesses Reporting in 2024" shows the results of operations for forty-two (42) Businesses owned and operated by franchisees that were in business as of December 31, 2024, and submitted reports for every month of 2024. We have excluded data for nineteen (19) locations that did not submit reports for every month of 2024. No outlets disclosed in the charts below operate in more than one territory. We obtained the data in this chart from monthly revenue reports and from responses to a questionnaire sent to all franchisees that reported income and expenses for every month in 2024.

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Full Time Owner Operators																		
		Client Data 2024 (2)																
		Clients BOY	Clients Added	Clients Dropped	Clients EOY	Total Income (3)	Total COGS (4)	Total Franchise Exp (5)	Total Sales Expense (6)	Gross Profit (7)	Total Operating Expenses (8)	Net Operating Income (9)	EBIDTA (10)	Total Employees EOY (11)	Average Employee Count (12)	Average Monthly Revenue Per Employee (13)	Average Monthly Revenue Per Client (14)	
All 17 of 17	Average	135	35	18	153	\$ 321,646.16	\$ 142,732.16	\$ 27,980.60	\$ 4,435.21	\$ 146,498.19	\$ 41,506.45	\$ 104,991.74	\$ 113,393.55	1200	8	\$ 21.50	\$ 156.56	
	# that Exceed	8	6	5	6	5	4	5	3	9	9	6	8	5	7	10	8	
	Median	119	32	14	135	\$ 260,566.76	\$ 67,662.96	\$ 23,705.36	\$ -	\$ 148,778.28	\$ 41,615.57	\$ 76,565.13	\$ 106,715.72	902	8	\$ 22.78	\$ 151.91	
	Min	6	9	2	32	\$ 36,012.81	\$ 6,780.49	\$ 13,680.00	\$ -	\$ (33,738.48)	\$ 12,601.32	\$ (62,209.96)	\$ (62,209.96)	181	4	\$ 6.38	\$ 84.89	
	Max	521	86	64	543	\$ 1,462,266.86	\$ 898,654.50	\$ 94,812.46	\$ 44,729.93	\$ 468,799.90	\$ 90,783.95	\$ 378,015.95	\$ 378,368.56	5349	13	\$ 31.28	\$ 224.41	
Top 8 of 17	Average	215	44	27	231	\$ 515,688.64	\$ 239,283.00	\$ 36,891.80	\$ 885.22	\$ 238,628.62	\$ 51,245.98	\$ 187,382.65	\$ 192,340.50	1817	7	\$ 24.62	\$ 176.94	
	# that Exceed	2	3	3	3	2	3	1	1	3	3	3	3	3	4	3	5	
	Median	174	36	23	183	\$ 382,468.47	\$ 142,173.88	\$ 28,182.85	\$ -	\$ 199,501.74	\$ 49,259.40	\$ 163,682.94	\$ 175,155.32	1221	7	\$ 23.88	\$ 189.88	
	Min	115	16	10	135	\$ 273,442.52	\$ 46,827.16	\$ 22,477.99	\$ -	\$ 152,058.72	\$ 20,796.68	\$ 75,271.29	\$ 76,538.51	873	4	\$ 18.74	\$ 112.06	
	Max	521	86	64	543	\$ 1,462,266.86	\$ 898,654.50	\$ 94,812.46	\$ 7,081.74	\$ 468,799.90	\$ 90,783.95	\$ 378,015.95	\$ 378,368.56	5349	11	\$ 31.28	\$ 224.41	
Bottom 9 of 17	Average	65	27	9	83	\$ 149,163.96	\$ 56,909.19	\$ 20,059.54	\$ 7,590.76	\$ 64,604.47	\$ 32,849.10	\$ 31,755.37	\$ 43,218.48	652	8	\$ 18.72	\$ 138.44	
	# that Exceed	4	5	4	5	4	5	4	2	5	4	5	5	4	4	4	4	
	Median	60	32	7	89	\$ 134,568.53	\$ 57,804.24	\$ 19,533.00	\$ 470.83	\$ 70,742.19	\$ 30,989.26	\$ 44,615.13	\$ 46,163.73	585	8	\$ 16.58	\$ 137.30	
	Min	6	9	2	32	\$ 36,012.81	\$ 6,780.49	\$ 13,680.00	\$ -	\$ (33,738.48)	\$ 12,601.32	\$ (62,209.96)	\$ (62,209.96)	181	5	\$ 6.38	\$ 84.89	
	Max	136	46	17	149	\$ 260,566.76	\$ 124,588.36	\$ 26,661.69	\$ 44,729.93	\$ 148,778.28	\$ 53,616.99	\$ 102,293.52	\$ 128,374.10	1222	13	\$ 30.57	\$ 181.84	
Part Time Owner Operators																		
		Client Data 2024 (2)																
		Clients BOY	Clients Added	Clients Dropped	Clients EOY	Total Income (3)	Total COGS (4)	Total Franchise Exp (5)	Total Sales Expense (6)	Gross Profit (7)	Total Operating Expenses (8)	Net Operating Income (9)	EBIDTA (10)	Total Employees EOY (11)	Average Employee Count (12)	Average Monthly Revenue Per Employee (13)	Average Monthly Revenue Per Client (14)	
All 25 of 25	Average	90	31	11	110	\$ 243,062.20	\$ 125,452.02	\$ 24,672.36	\$ 11,055.05	\$ 81,882.77	\$ 25,479.83	\$ 56,402.94	\$ 61,619.07	858	8	\$ 23.94	\$ 181.52	
	# that Exceed	10	7	8	10	11	10	12	6	10	10	9	10	8	11	\$ 11.00	\$ 12.00	
	Median	70	16	8	78	\$ 220,909.16	\$ 101,554.17	\$ 24,347.43	\$ -	\$ 50,751.05	\$ 22,008.68	\$ 34,116.90	\$ 34,574.28	761	8	\$ 22.59	\$ 175.90	
	Min	0	3	0	5	\$ 3,450.13	\$ 2,626.52	\$ -	\$ -	\$ (75,349.51)	\$ 7,332.70	\$ (110,557.98)	\$ (110,557.98)	23	3	\$ 12.50	\$ 57.50	
	Max	329	244	43	440	\$ 897,084.12	\$ 413,213.73	\$ 49,760.00	\$ 63,971.15	\$ 372,177.51	\$ 55,358.98	\$ 342,494.36	\$ 345,827.69	3528	20	\$ 56.87	\$ 322.09	
Top 12 of 25	Average	143	46	15	174	\$ 376,835.43	\$ 210,627.17	\$ 31,160.68	\$ 20,047.98	\$ 114,999.61	\$ 28,552.05	\$ 86,447.56	\$ 92,833.44	1325	8	\$ 24.70	\$ 184.20	
	# that Exceed	5	2	4	4	3	4	6	5	6	6	6	6	2	6	6	6	
	Median	125	28	10	140	\$ 298,166.93	\$ 148,675.05	\$ 31,231.42	\$ 2,851.13	\$ 112,474.22	\$ 26,945.29	\$ 89,984.51	\$ 99,269.34	1010	8	\$ 23.80	\$ 183.01	
	Min	57	11	4	73	\$ 229,184.93	\$ 57,880.98	\$ -	\$ -	\$ (75,349.51)	\$ 13,174.64	\$ (110,557.98)	\$ (110,557.98)	749	4	\$ 16.24	\$ 135.57	
	Max	329	244	43	440	\$ 897,084.12	\$ 413,213.73	\$ 49,760.00	\$ 63,971.15	\$ 372,177.51	\$ 55,358.98	\$ 342,494.36	\$ 345,827.69	3528	12	\$ 36.24	\$ 261.63	
Bottom 13 of 25	Average	40	16	6	50	\$ 119,579.21	\$ 46,828.80	\$ 18,683.14	\$ 2,753.89	\$ 51,313.38	\$ 22,643.93	\$ 28,669.45	\$ 32,805.80	427	9	\$ 23.24	\$ 179.04	
	# that Exceed	7	3	6	5	6	5	6	1	4	4	5	5	6	5	6	6	
	Median	41	8	5	43	\$ 90,762.70	\$ 27,736.55	\$ 17,990.00	\$ -	\$ 48,505.73	\$ 16,703.19	\$ 27,320.64	\$ 30,463.81	402	8	\$ 21.28	\$ 175.90	
	Min	0	3	0	5	\$ 3,450.13	\$ 2,626.52	\$ 7,980.00	\$ -	\$ (7,156.39)	\$ 7,332.70	\$ (26,072.13)	\$ (26,072.13)	23	3	\$ 12.50	\$ 57.50	
	Max	80	79	16	120	\$ 220,909.16	\$ 143,907.96	\$ 26,905.97	\$ 34,659.36	\$ 147,827.45	\$ 51,511.20	\$ 114,265.87	\$ 122,565.91	833	20	\$ 56.87	\$ 322.09	

(1) “ID” is a number assigned to each franchisee whose results are included in the chart to preserve their anonymity. The asterisks next to some ID numbers indicate that this is a full-time Business, meaning that the operator(s) worked an average of 40 or more hours per

and “Clients EOY” is the total number of Clients served by the Business as of December 31, 2024.

(3) “Total Revenue” means the total revenue derived from the sale of payroll and workforce management services including, taxes, discounts, refunds, allowances, and returns.

(4) “Total COGS” means the total cost of goods sold, including direct labor costs and isolved software, PEPM and PCPM fees

(5) “Franchisee Expenses” means expenses incurred by franchised Businesses including Royalty fees, Digital Marketing Fees, Managed Marketing & Social Media Fees, Technology Fees, CRM Software Fees, Email Fees, Accounting Fees, and other fees described in the franchise agreement.

(6) “Total Sales Expense” means sales & marketing expenses related to directly marketing the business or to hire a sales person to grow business.

(7) “Gross Profit” means total income, less Total COGS, Franchise Expenses and Sales Expense.

(8) “Total Operating Expenses” are the fixed cost to operate the business including phone, office supplies, travel, training, rent, insurance, utilities, and other miscellaneous expenses.

(9) “Net Operating Income” is the profit or loss that is available to the business owner.

(11) “Total Employees EOY” is the total number of employees that are being paid by the Clients EOY as of December 31, 2024.

(12) “Average Employee Count ” is the Total Employee EOY divided by the total Clients EOY to get to an average employee count per client.

(13) “Average Monthly Revenue Per Employee” is a Key Performance Indicator that shows the average revenue per employee based on the total revenue and Total Employee Count.

(14) “Average Revenue Per Client” is a Key Performance Indicator that shows the average revenue per client, per month based on total revenue and Clients EOY.

Written substantiation for the financial performance representations will be made available to the prospective franchisee upon reasonable request.

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

Other than the preceding financial performance representation, Payroll Vault 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 Sean Manning at 1860 W. Littleton Blvd, Littleton, Colorado 80120, 303-763-1828, Sean.Manning@PayrollVault.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**

**OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**Systemwide Outlet Summary**  
**for the years 2022 to 2024**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the end of the Year	Net Changes
Franchised	2022	55	51	-4
	2023	51	54	3
	2024	54	61	7
Company Owned*	2022	3	1	-2
	2023	1	1	0
	2024	1	1	0
<b>Total Outlets</b>	2022	58	52	-6
	2023	52	55	3
	2024	55	62	7

\* This includes Affiliate-owned businesses.

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)**  
**For the Years 2022 to 2024**

State	Year	Number of Transfers
STATE	2022	0
	2023	0
	2024	0
Total	2022	0
	2023	0
	2024	0

If multiple events occurred that affected an outlet, the tables below show the event that occurred last.

**Table No. 3**  
**Status of Franchised Outlets**  
**For the Years 2022 to 2024**

State	Year	Franchises at the Start of the Year	Franchises Opened	Terminations	Non-renewals	Reacquired by Franchisor	Ceased Operation - Other Reasons	Outlets at End of the Year
Alabama	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Arizona	2022	0	0	0	0	0	0	0