

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 Broomfield County, Colorado and, if mediation is unsuccessful, then to binding arbitration in Broomfield County, Colorado. 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 Broomfield County, Colorado or, if appropriate, the United States District Court nearest to our corporate headquarters at the time such action is filed. This provision is subject to applicable state law.
w. Choice of law	18.F.	Colorado 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) Calendar Year – means, as to each respective year, the 12 month period commencing on January 1 and ending on December 31.
- (c) 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, that operates a Talem Business. A Company

Owned Outlet also includes any Talem Business that: (i) is operated as a joint venture owned in part by us, our affiliate or any person identified in Item 2 of this Disclosure Document; or (ii) is managed by us our affiliate or any person identified in Item 2.

(d) Franchise Outlet – means a Talem Home Care Business operated under a Franchise Agreement that is not a Company Owned Outlet.

(e) Gross Billings – means the total gross revenue derived by each outlet less only sales tax, customer discounts, customer allowances and returns. Other than the deduction of sales tax, customer discounts, customer allowances and returns, there are no other deductions from revenue in determining Gross Billings.

(f) Legacy Customers – means customers serviced by a Talem Company Owned Outlet that are now located in the Operating Territory of a franchisee but are still serviced by a Talem 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) New Franchise Outlet(s) – means, as to a particular Calendar Year, a Franchise Outlet that for the first time opened and commenced operations on or after the first day (January 1) of the Calendar Year being reported. For example, if a Franchise Outlet first opened for business in February 2023, as to the 2023 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet and not as an Operational Franchise Outlet, see definition below. If this Franchise Outlet remained in operation throughout the 2024 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2024 Calendar Year.

(i) Operational Franchise Outlet(s) – means, as to a particular Calendar Year, a Franchise Outlet that was open and in operation prior to the commencement of the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2023, as to the February 2023 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet (see definition above) and not as an Operational Franchise Outlet. If this Franchise Outlet remained in operation throughout the 2024 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2024 Calendar Year.

(j) Operating Territory – means the area (whether consisting of a Primary Operating Territory or a Primary Operating Territory with multiple Zones) where a Talem Business is permitted to operate.

(k) Open Area – means an area that is not within the Operating Territory of any Talem Businesses where any Talem Business is permitted to operate.

(l) Outlet – refers to both Company Owned Outlets and Franchise Outlets, as the context requires.

(m) Primary Operating Territory – means a designated territory with a population of approximately 400,000 to 500,000.

(n) Zone – means an additional territory with a population of approximately 75,000 that can be added to a Primary Operating Territory for an additional fee.

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## **BASES AND ASSUMPTIONS**

The financial information was prepared on a basis consistent with generally accepted accounting principles. Data for our Company Owned Outlets are based on information reported to us by our affiliates. Data for the Franchise Outlets are based on financial information reported to us by our franchisees. 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 2022, 2023 and 2024 Calendar Years, we had a total of two Company Owned Outlets. The Company Owned Outlets are representative of the Franchised Business, assuming that you purchase multiple territories, provided that you will not have Legacy Customers, but may service customers in the Operating Territory of another System franchisee through National Accounts. Our Company Owned Outlets are further described below:

Table 1

<b>Company Owned Outlets</b>	
Outlet Name	Description
Broomfield, CO	This Company Owned Outlet is located at 80 Garden Center, Broomfield, Colorado 80020. In 2021, the Broomfield Company Owned Outlet serviced the entire Denver metropolitan area that we identify as two operating territories (as well as unassigned areas within the state outside of the two exclusive territories and Legacy Customer from a portion of Colorado that is now the Operating Territory of a Talem franchisee) that we describe, as follows (i) a Primary Operating Territory with three Zones and an approximate population of 704,605; and (ii) a Primary Operating Territory that has been supplemented with three Zones with an approximate population of 622,729. The Gross Billings of the Broomfield location also includes Gross Billings generated from an Open Area (i.e., an area that is not the Operating Territory of any other Talem outlet). The Broomfield Company Owned Outlet opened in November of 2013.
Milwaukee, WI	This Company Owned Outlet is located at 10335 W Oklahoma Avenue, Suite 204, Milwaukee, Wisconsin 53227. Our Milwaukee Company Owned Outlet services the Milwaukee metropolitan area and surrounding areas and operates: (i) one Primary Operating Territory in northern Milwaukee that has been supplemented with two additional Zones with a total population of approximately 614,824; and (ii) a secondary Primary Operating Territory in Southern Milwaukee that has been supplemented with an additional zone with a total population of approximately 558,408. The Gross Billings of the Milwaukee location also includes Gross Billings generated from an Open Area (i.e., an area that is not the Operating Territory of any other Talem outlet). The Milwaukee Company Owned Outlet opened in September of 2016.

Material financial and operations 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 royalties and a brand development fund fee.

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The following is a breakdown of the 2022, 2023 and 2024 aggregate Gross Billings of our Company Owned Outlets from the Operating Territories and Open Area of the Broomfield Company-Owned Outlet and the Milwaukee Company-Owned Outlet:

Table 2

<b>Gross Billings Summary for Company Owned Outlets 2022, 2023 and 2024 Calendar Years</b>			
Company Owned Outlet	2022 Total Gross Billings	2023 Total Gross Billings	2024 Total Gross Billings
Broomfield	\$1,379,172	\$1,400,125	\$1,228,125
Milwaukee	\$451,794	\$816,277	\$831,816

**Notes to Table 2:**

Note 1: The table includes Gross Billings provided by our Company Owned Outlets outside of the above-referenced Operating Territories. These areas constitute Open Areas and are not specific to any particular territory and/or the territories described above and assigned areas in which the Company Owned Outlet operates.

Note 2: Depending on where you locate your Franchised Business, your Operating Territory may be surrounded by Open Areas or you may be adjacent to other Talem Business's Operating Territories. You may be able to provide System Services and Products within Open Areas that are geographically close to your Talem Business, however, if you can service adjacent Open Areas during your Franchise Agreement, there is no guarantee that we will not sell these adjacent territories during your Franchise Agreement's Terms.

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## **ANALYSIS OF RESULTS OF OPERATIONAL FRANCHISE OUTLETS**

This analysis contains a historic representation of financial data achieved by our Operational Franchise Outlets as to each respective Calendar Year reported below. During the 2022 Calendar Year we had a total of seven Franchise Outlets, and of these seven Franchise Outlets, there were six Operational Franchise Outlets and one New Franchise Outlet. During the 2023 Calendar Year we had a total of six Franchise Outlets and, of these six Franchise Outlets, there were five Operational Franchise Outlets. During the 2024 Calendar Year we had a total of six Franchise Outlets, and of these six Franchise Outlets, there were five Operational Franchise Outlets. The Operational Franchise Outlets set forth below are representative of the Franchised Business, except that, under a single Franchise Agreement, we currently only offer Territories with a resident population of 400,000 to 500,000 plus the addition of up to three additional Zones. The data provided below is limited to our Operational Franchise Outlets and, as to each respective Calendar Year, does not include data for New Franchise Outlets. We have not audited the reports, nor have franchisees confirmed that their reports are prepared in accordance with generally accepted accounting principles. Gross Billings for our Operational Franchise Outlets are based on each Operational Franchise Outlets' unaudited financial statements reported to us by our franchisees. Our Operational Franchise Outlets are further described below:

Table 3

### **Franchise Outlets**

Outlet Name	Description
Denver, CO	This Franchise Outlet has an administrative office located at 3600 S Beeler Street #320, Denver, Colorado 80237 and operates a Home Care + Senior Placement Service Talem Home Care Business. This Outlet opened in November 2017 and services two Primary Operating Territories with two Zones with a total population of 1,175,262. This franchisee has signed multiple Franchise Agreements for multiple territories. During the 2024 Calendar Year this Franchise Outlet was transferred to the franchisee that owns and operates the Fort Collins, CO Franchise Outlet.
Colorado Springs, CO	This Franchise Outlet has an administrative office located at 3230 E Woodmen Road, Suite 110G, Colorado Springs, Colorado 80920 and operates a Home Care + Senior Placement Service Talem Home Care Business. This Outlet opened in May 2018 and services a Primary Operating Territory with two Zones with a total population of 610,287. During the 2024 Calendar Year this Franchise Outlet was purchased as a resale by a new franchisee.
Fort Collins, CO	This Franchise Outlet has an administrative office located at 2601 South Lemay Avenue, Suite 33, Fort Collins, Colorado 80525 and operates a Home Care + Senior Placement Service Talem Home Care Business. This Outlet opened in August 2020 and services a Primary Operating Territory with a total population of 503,989. During the 2024 Calendar Year this franchisee purchased the Denver, CO Franchise Outlet as a resale and now also services two Primary Operating Territories with two Zones with a total population of 1,175,262. Accordingly, the franchisee has signed multiple Franchise Agreements for multiple territories.
Hartford, CT	This Franchise Outlet has an administrative office located at 156 Broad Street, Windsor, Connecticut 06095 and operates a Home Care + Senior Placement Service Talem Home Care Business. This Outlet opened in January 2020 and was purchased as a resale by a new franchisee in 2022 and services a Primary Operating Territory with a total population of 393,381. During the 2024 Calendar Year this franchisee purchased the Shelton, CO Franchise Outlet as a resale and now also services a Primary Operating Territory with a total population of 518,731. Accordingly, the franchisee has signed multiple Franchise Agreements for multiple territories.
Shelton, CT	This Franchise Outlet has an administrative office located at 525 Bridgeport Avenue, Shelton, Connecticut 06484 and operates a Home Care + Senior Placement Services Talem Home Care Business. This Outlet opened in December 2020 and services a Primary Operating Territory with a total population of 518,731. This franchisee has

	signed multiple Franchise Agreements for multiple territories. During the 2024 Calendar Year this Franchise Outlet was transferred to the franchisee that owns and operates the Hartford, CT Franchise Outlet.
Sterling, VA	This Franchise Outlet has an administrative office located at 22648 Glenn Drive, Suite 304, Sterling, Virginia 20164. This Outlet opened in August 2021 and services a Primary Operating Territory with a total population of 479,146. This franchisee has signed multiple Franchise Agreements for multiple territories. This Franchise Outlet closed in April 2023 and therefore excluded from this Item 19.

Table 4

Total Gross Billings for Operational Franchise Outlets 2022, 2023 and 2024 Calendar Years			
Operational Franchise Outlet	2022 Total Gross Billings	2023 Total Gross Billings	2024 Total Gross Billings
Denver, CO	\$1,730,438	\$1,859,213	\$1,537,291 <sup>1</sup>
Colorado Springs, CO	\$2,548,746	\$2,423,777	\$2,548,274 <sup>2</sup>
Hartford, CT	\$49,510	\$554,700	\$577,054
Fort Collins, CO	\$837,270	\$1,248,687	\$1,535,800 <sup>3</sup>
Shelton, CT	\$399,350	\$563,352	\$474,892 <sup>4</sup>
Sterling, VA	\$70,826	N/A	N/A

**Notes to Table 4:**

**Note 1:** Operational Franchise Outlet | Denver, CO. This Franchise Outlet, pursuant to two Franchise Agreements signed by the franchisee, was comprised of two Primary Operating Territories with two Zones with a total population of 1,175,262. In April 2024, these franchise agreements and the respective Primary Operating Territories and Zones were transferred to the franchisee that owns and operates the Fort Collins, CO Franchise Outlet. The Total Gross Billings reported for this Outlet includes the Total Gross Billings generated during the entire 2024 Calendar Year, before and after the transfer to the new franchisee that now owns and operates this Outlet.

**Note 2:** Operational Franchise Outlet | Colorado Springs, CO. In November 2024, this Franchise Outlet was purchased by a new franchisee. The Total Gross Billings reported for this Outlet includes the Total Gross Billings generated during the entire 2024 Calendar Year, before and after the transfer to the new franchisee that now owns and operates this Outlet.

**Note 3:** Operational Franchise Outlet | Fort Collins, CO. In April 2024, the franchisee of this Franchise Outlet purchased the Denver, CO Franchise Outlet. As to the 2024 Calendar Year, the Total Gross Billings for this Outlet is based on financial data generated by the Franchise Outlet and does not include financial data of Gross Billings generated by servicing the additional two Primary Operating Territories with two Zones with a total population of 1,175,262 that were previously operated as part of the Denver, CO Franchise Outlet.

**Note 4:** Operational Franchise Outlet | Shelton, CT. In June 2024, this Franchise Outlet was purchased by the franchisee that owns and operates the Hartford, CT Franchise Outlet. The Total Gross Billings reported for this Outlet includes the Total Gross Billings generated during the entire 2024 Calendar Year, before and after the transfer to the new franchisee that now owns and operates this Outlet.

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## **SYSTEM-WIDE ANALYSIS OF RESULTS OF OPERATIONS** **YEARS OF OPERATIONS AND OPERATING TERRITORY SIZE**

Below we have provided a summary of the average Gross Billings of the Company Owned Outlet and Operational Franchise Outlets. Tables 5, 6 and 7 include a summary of the average data with data sorted by the length of time each Outlet has been in operation. In Tables 8, 9, and 10, we include the average data of our Outlets with categories based on the territory size. Tier I contains Outlets operating in the equivalent of two Primary Operating Territories with multiple Zones and Tier II Outlets operating in the equivalent of one Primary Operating Territory with up to two additional Zones. In Tables 11, 12 and 13, we include a System-wide summary of average Gross Billings for all of the reporting Company Owned Outlets and Operational Franchise Outlets.

Table 5

<b>2022 System Wide Summary Average and/or Total Gross Billings – Years of Operation</b>				
Years of Operation	Average	High	Low	Median
5+ Years	\$1,163,637	\$1,730,438	\$431,694	\$1,328,780
2 – 4 Years	\$1,299,128	\$2,548,746	\$49,510	N/A
1 – 2 Years	\$435,815	\$837,270	\$70,826	\$399,350

**Notes to Table 5:**

**Note 1:** Number of Outlets – 5+ Years. There were two Company Owned Outlets and one Franchised Outlet operating for over five years.

**Note 2:** Number of Outlets – 2 – 4 Years. There were two Operational Franchise Outlets operating for two to four years. As there are two Outlets in this dataset, the median is not calculated.

**Note 3:** Total Gross Billings – 1 – 2 Years. There were three Operational Franchise Outlets operating for one to two years.

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Table 6

<b>2023 System Wide Summary Average and/or Total Gross Billings – Years of Operation</b>				
Years of Operation	Average	High	Low	Median
5+ Years	\$1,624,848	\$2,423,777	\$816,277	\$1,629,669
2 – 4 Years	\$788,913	\$1,248,687	\$554,700	\$563,352
1 – 2 Years	NA	NA	NA	NA

**Notes to Table 6:**

**Note 1:** Number of Outlets – 5+ Years. There were two Company Owned Outlets and two Franchised Outlet operating for over five years.

**Note 2:** Number of Outlets – 2 – 4 Years. There were three Operational Franchise Outlets operating for two to four years.

**Note 3:** Total Gross Billings – 1 – 2 Years. There were no Operational Franchise Outlets operating for one to two years.

Table 7

<b>2024 System Wide Summary Average and/or Total Gross Billings – Years of Operation</b>				
Years of Operation	Average	High	Low	Median
5+ Years	\$2,548,274	\$2,548,274	\$577,054	\$1,228,149
2 – 4 Years	\$1,005,345	\$1,535,799	\$474,892	N/A
1 – 2 Years	NA	NA	NA	NA

**Notes to Table 7:**

**Note 1:** Number of Outlets – 5+ Years. There were two Company Owned Outlets and three Franchised Outlet operating for over five years.

**Note 2:** Number of Outlets – 2 – 4 Years. There were two Operational Franchise Outlets operating for two to four years. As there are only two Operational Franchise Outlets in this dataset, the Median is not calculated.

**Note 3:** Total Gross Billings – 1 – 2 Years. There were no Operational Franchise Outlets operating for one to two years.

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Table 8

2022 System Wide Summary Average Gross Billings – Operating Territory Tier				
Operating Territory Type	Average	High	Low	Median
Tier I	\$1,081,066	\$1,730,438	\$431,694	N/A
Tier II	\$872,414.25	\$2,548,746	\$49,510	\$618,310

**Notes to Table 8:**

**Note 1: Tier I Operating Territory Range.** Tier I includes one Company Owned Outlets and one Operational Franchise Outlet with populations ranging from approximately 1,175,000 to 1,255,000. Under the current franchise structure, this would be the equivalent to an outlet operating within at least two Primary Operating Territories with two to six zones. The high data includes the Gross Billings of a Company Owned Outlet operating within an Operating Territory containing 1,175,000, the low data includes an Operational Franchise Outlet operating with a population of 1,362,000, and the median contains the data of a Company Owned Outlet that operates in an Operating Territory with a population of 1,434,000. The Company Owned Outlets also generated Gross Billings from other areas, such as Open Areas or areas where Legacy Customers are located.

**Note 2: Tier II Operating Territory Range.** Tier II includes one Company Owned Outlet and five Operational Franchise Outlets with populations ranging from approximately 393,000 to 611,000. Under the current franchise structure, this would be the equivalent to an outlet operating with a single Primary Operating Territory to a single Primary Operating Territory with three Zones. The high data reflects the data of the Operational Franchise Outlet operating in an Operating Territory with a population of 610,000 and the low data reflects the data of the Operational Franchise Outlet operating in an Operating Territory with a population of 393,000.

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Table 9

2023 System Wide Summary Average Gross Billings – Operating Territory Tier				
Operating Territory Type	Average	High	Low	Median
Tier I	\$1,337,745	\$1,859,213	\$816,277	N/A
Tier II	\$1,238,128	\$2,423,777	\$554,700	\$1,248,687

**Notes to Table 9:**

**Note 1: Tier I Operating Territory Range.** Tier I includes one Company Owned Outlet and one Operational Franchise Outlet with populations ranging from approximately 1,175,000 to 1,362,000. Under the current franchise structure, this would be the equivalent to an outlet operating within at least two Primary Operating Territories with two to six zones. The low data includes the Gross Billings of a Company Owned Outlet operating within an Operating Territory containing 1,175,000, the high data includes an Operational Franchise Outlet operating with a population of 1,362,000, and the median is not calculated as there are only two Outlets in the data set. The Company Owned Outlets also generated Gross Billings from other areas, such as Open Areas or areas where Legacy Customers are located.

**Note 2: Tier II Operating Territory Range.** Tier II includes one Company Owned Outlet and four Operational Franchise Outlets with populations ranging from approximately 393,000 to 611,000. Under the current franchise structure, this would be the equivalent to an outlet operating with a single Primary Operating Territory to a single Primary Operating Territory with three Zones. The high data reflects the data of the Operational Franchise Outlet operating in an Operating Territory with a population of 610,000 and the low data reflects the data of the Operational Franchise Outlet operating in an Operating Territory with a population of 393,000.

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