

Provision	Section in Franchise Agreement	Summary
(q) Non-competition covenants during the term of the franchise	12.2(b)	You, your Owners, their immediate families, and your managers may not: own, manage, engage in, be employed by, advise, make loans to, or have any other interest in (i) any service business offering companion care (a “ Competitive Business ”) in the United States; (ii) divert or attempt to divert any actual or potential business or client to any Competitive Business; or (iii) perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.
(r) Non-competition covenants after the franchise is terminated or expires	12.2(c)	For two years after the expiration of termination of your Franchise Agreement you, your Owners, their immediate families, and your managers may not be involved in, or divert clients to, any Competitive Business that is located within or operates within a 20-mile radius of your former Protected Territory or any other Protected Territory that is operating at that time.
(s) Modification of the agreement	19	Except for modifications to the Manuals, no modifications unless agreed to in writing by both parties.
(t) Integration/merger clause	19	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
(u) Dispute resolution by arbitration or mediation	Not applicable	Not applicable.
(v) Choice of forum	17.2	Subject to applicable state laws, you and your Owners must, and we may, bring claims in federal or state courts located in the city in which our principal place of business is located (currently, Incline Village, Nevada).
(w) Controlling law	17.1	Except for federal law, Nevada law governs (subject to applicable state laws).

Item 18

PUBLIC FIGURE

We do not use any public figure to promote our franchises.

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 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.

As of the date of this disclosure document, we had several franchisees who were in the early stages of development and some had been in operation for more than 12 months. A representative sample of those franchisees' ("Represented Franchisees") income statements and key performance indicators ("KPI") are reflected in the Tables below. We have presented financial performance data for the **calendar year 2024** for the **Represented Franchisee #1** located in Long Island, NY who launched in **January, 2020** (Tables 1(a) and 1(b)); **Franchisee #2** located in McKinney, TX launched in **March, 2023** (Tables 2(a) and 2(b)); **Franchisee #3** located in San Antonio, TX launched in **August, 2023** (Tables 3(a) and 3(b)); **Franchisee #4** located in Charlotte, NC launched in **September, 2023** (Tables 4(a) and 4(b)); **Franchisee #5** located in Greensboro, NC launched in **October, 2023** (Tables 5(a) and 5(b)).

Table 1(a)
Income Statement for the Represented Franchisee
For the Reporting Period

	Total	Percentage of Revenue
Gross Sales (1)	\$ 2,758,297	100.00%
Cost of Sales (2)	1,852,515	67.16%
Gross Profit (3)	905,782	32.84%
Operating Expenses (4)		
Advertising & Marketing	11,967	0.43%
Software Fees	85,599	3.10%
Background Checks	639	0.02%
Royalty Fee	165,498	6.00%
Insurances	27,330	0.99%
Accounting	4,800	0.17%
Wages	200,977	7.29%
Telephone	1,249	0.05%
Other	5,533	0.20%
Total Operating Expenses	503,592	18.26%
Revenues less Expenses (5)	\$ 402,190	14.58%

Table 1(b)

Key Performance Indicators for the Represented Franchise
For the Reporting Period

Gross Profit Percentage	33%
Average # of Clients Served/Month	28
Average Revenue/Client/Month	\$ 7,820
Average Billable Hours/Week/Client	60
Average Billable Rate/Hour	\$ 30
Average Caregiver Pay Rate/Hour	\$ 20
Gross Profit per Hour	\$ 10

Table 2(a)
Income Statement for the Represented Franchisee
For the Reporting Period

	Total	Percentage of Revenue
Gross Sales (1)	\$ 1,570,961	100.00%
Cost of Sales (2)	954,282	60.75%
Gross Profit (3)	616,679	39.25%
Operating Expenses (4)		
Advertising & Marketing	13,695	0.87%
Software Fees	69,507	4.42%
Background Checks	6,197	0.39%
Royalty Fee	94,258	6.00%
Insurance - Liability	12,449	0.79%
Accounting	3,945	0.25%
Wages	227,653	14.49%
Telephone	776	0.05%
Other	5,993	0.38%
Total Operating Expenses	434,473	27.66%
Revenues less Expenses (5)	\$ 182,206	11.60%

Table 2(b)

**Key Performance Indicators for the Represented Franchise
For the Reporting Period**

Gross Profit Percentage	39%
Average # of Clients Served/Month	37
Average Revenue/Client/Month	\$ 3,582
Average Billable Hours/Week/Client	28
Average Billable Rate/Hour	\$ 30
Average Caregiver Pay Rate/Hour	\$ 18
Gross Profit per Hour	\$ 12

**Table 3(a)
Income Statement for the Represented Franchisee
For the Reporting Period**

	Total	Percentage of Revenue
Gross Sales (1)	\$ 1,012,290	100.00%
Cost of Sales (2)	653,260	65.53%
Gross Profit (3)	359,030	35.47%
Operating Expenses (4)		
Advertising & Marketing	17,786	1.76%
Software Fees	37,229	3.68%
Background Checks	1,838	0.18%
Royalty Fee (6)	53,568	5.29%
Marketing Fee (6)	6,750	0.67%
Insurance - Liability	6,423	0.63%
Accounting	2,574	0.25%
Wages	7,730	0.76%
Telephone	2,777	0.27%
Other	5,113	0.51%
Total Operating Expenses	141,788	14.01%
Revenues less Expenses (5)	\$ 217,242	21.46%

Table 3(b)

**Key Performance Indicators for the Represented Franchise
For the Reporting Period**

Gross Profit Percentage	35%
Average # of Clients Served/Month	11
Average Revenue/Client/Month	\$ 8,013
Average Billable Hours/Week/Client	65
Average Billable Rate/Hour	\$ 29
Average Caregiver Pay Rate/Hour	\$ 19
Gross Profit per Hour	\$ 10

Table 4(a)
**Income Statement for the Represented Franchisee
For the Reporting Period**

	Total	Percentage of Revenue
Gross Sales (1)	\$ 617,797	100.00%
Cost of Sales (2)	405,276	65.60%
Gross Profit (3)	212,521	34.40%
Operating Expenses (4)		
Advertising & Marketing	10,056	1.63%
Software Fees	27,066	4.38%
Background Checks	4,183	0.68%
Royalty Fee (6)	27,246	4.41%
Marketing Fee (6)	5,347	0.87%
Insurance - Liability	6,561	1.06%
Accounting	518	0.08%
Wages	42,319	6.85%
Telephone	2,395	0.39%
Other	12,451	2.02%
Total Operating Expenses	138,142	22.36%
Revenues less Expenses (5)	\$ 74,379	12.04%

Table 4(b)

**Key Performance Indicators for the Represented Franchise
For the Reporting Period**

Gross Profit Percentage	34%
Average # of Clients Served/Month	11
Average Revenue/Client/Month	\$ 4,201
Average Billable Hours/Week/Client	31
Average Billable Rate/Hour	\$ 31
Average Caregiver Pay Rate/Hour	\$ 21
Gross Profit per Hour	\$ 10

Table 5(a)
**Income Statement for the Represented Franchisee
For the Reporting Period**

	Total	Percentage of Revenue
Gross Sales (1)	\$ 510,464	100.00%
Cost of Sales (2)	327,197	64.10%
Gross Profit (3)	183,267	35.90%
Operating Expenses (4)		
Advertising & Marketing	10,831	2.12%
Software Fees	26,140	5.12%
Background Checks	4,556	0.89%
Royalty Fee (6)	25,251	4.95%
Marketing Fee (6)	2,691	0.53%
Insurance - Liability	4,878	0.96%
Accounting	3,211	0.63%
Wages	10,500	2.06%
Telephone	398	0.08%
Other	6,890	1.35%
Total Operating Expenses	95,346	18.68%
Revenues less Expenses (5)	\$ 87,921	17.22%

Table 5(b)

**Key Performance Indicators for the Represented Franchise
For the Reporting Period**

Gross Profit Percentage	36%
Average # of Clients Served/Month	12
Average Revenue/Client/Month	\$ 3,378
Average Billable Hours/Week/Client	29
Average Billable Rate/Hour	\$ 28
Average Caregiver Pay Rate/Hour	\$ 18
Gross Profit per Hour	\$ 10

Notes to Tables (a):

1. The term "**Gross Sales**" means all revenue that you receive or otherwise derive from the operation of the Franchised Business including (a) revenue billed or invoiced by you or your designee to clients, (b) any Placement Commissions (as defined in Item 11) that you receive from us, or (c) any other revenue you receive from any party for products or services sold or provided in connection with the Franchised Business.
2. The term "**Cost of Sales**" means the total amount of labor compensation paid to caregivers on behalf of clients.
3. The term "**Gross Profit**" is equal to Gross Sales minus Cost of Sales.
4. We have made certain adjustments to the franchisee's income statements to reflect a more normalized result of operations for the typical franchisee that may not incur certain expenses reported to us by Represented Franchisees. For example, the line item for wages includes compensation paid to administrative and sales employees, but it does not include any compensation or benefits paid to the Represented Franchisee owner. As the amount will vary by each Franchised Business, thus we have not included owners' compensation in this table. Another example is that all of the Represented Franchisees work from a home office and employees work remotely, thus there is no rent expense. Your situation may be different and thus you would have to include a budgeted amount for rent, if necessary.
5. **Revenues less Expenses** means cash flow from operations before interest, taxes, depreciation, and amortization

6. The Royalty and Marketing Fees are less than the required percentages because of the grace period allowed after launch before you have to pay them.

General Notes:

This financial performance representation does not contain necessarily complete information concerning the operating costs and expenses that you may incur in operating your Franchised Business, which must be deducted from the Gross Sales figures to obtain your net income or profit

The figures in these Tables are financial performance representations using financial reports submitted by the Represented Franchisees. We have not audited or independently verified these financial reports, although we have no information or other reason to believe that they are unreliable. No certified public accountant has audited these figures or expressed his or her opinion concerning their content or form.

Written substantiation for the financial performance representation will be made available to you upon reasonable request.

We encourage you to consult with your own accounting, business, and legal advisors to assist you to prepare your budgets and projections, and to assess the likely or potential financial performance of your franchise. We also encourage you to contact existing franchisees to discuss their experiences with the system and their Franchised Business. Notwithstanding the information set forth in this financial performance representation, our existing franchisees are your best source of information about franchise operations.

Other than in this Item 19, 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 receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Steve Everhart, President, Hallmark Homecare, LLC, 774 Mays Blvd., Suite 10-297, Incline Village, Nevada 89451 (Tel. 888-725-3655), the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Businesses 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 Businesses	2022	1	2	1
	2023	2	25	23
	2024	25	36	11
Company-Owned Businesses	2022	1	1	0
	2023	1	0	1
	2024	0	0	0
Total Hallmark Businesses	2022	2	2	0
	2023	2	25	23
	2024	25	36	11

Table No. 2
Transfers of Franchised Businesses from Franchisees to New Owners (other than the Franchisor)
For Years 2022 to 2024

State	Year	Number of Transfers
Total	2021	0
	2022	0
	2023	0

Table No. 3
Status of Franchised Businesses
For Years 2022 to 2024

State	Year	Businesses at Start of Year	Businesses Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Businesses at End of the Year
Alabama	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0