

s.	Modification of this agreement	11.1	The Franchise Agreement may only be modified by written amendment signed by both parties.
t.	Integration/merger clauses	11.1	The Franchise Agreement is the entire agreement between the parties. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, any other exhibits or amendments.
u.	Dispute resolution by arbitration or mediation	11.2	All disputes must be mediated, and then, if needed, litigated.
v.	Choice of forum	11.3	All actions must be commenced in the Courts of then-current State and County where our corporate headquarters is located (currently Camden County, New Jersey, or the United States District Court, District of New Jersey) (subject to applicable state law)
w.	Choice of law	11.3	New Jersey law applies (subject to applicable state law).

ITEM 18 PUBLIC FIGURES

We do not use any public figure to promote 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 and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in this 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.

Section 1. Background

As of December 31, 2024, there were twenty-eight More Space Place locations operating in the United States. Of these twenty-eight locations, one was company owned and twenty-seven were franchisee owned. Of the twenty-seven franchisee owned locations, sixteen met the following criteria to be considered representative of the franchise offered:

- a. Open for at least 1 year as of December 31, 2024;
- b. Operating for the full 12 months of 2024; and
- c. Operating from a dedicated retail showroom location staffed full time.

Eleven of the franchisee owned locations are not representative because:

- a. Six of the locations manufactured the products sold rather than purchase them from our affiliate's manufacturing facility. This manufacturing model is no longer offered by this

Disclosure Document;

- b. Two of the locations did not have dedicated showrooms as they were co-located and operated by our franchisees in conjunction with other non-competing businesses. This co-branded model is no longer offered by this Disclosure Document; and
- c. Two of the locations operated without a full-time showroom for a portion of 2024.
- d. One of the locations opened during 2024 and was not open for the full 12 months of 2024.

Section 1. Gross Revenue (2024)

Franchised Locations

This section represents the revenue results of sixteen representative franchised More Space Place locations operating as of December 31, 2024. The characteristics that make them representative are described above.

Each of the sixteen representative franchised locations was asked to provide information regarding Gross Revenues for the year 2024. Each of the sixteen representative franchised locations (100%) provided complete Gross Revenues information. The data presented in Table 1 below represents the Gross Revenue performance of those sixteen franchised locations based on their response to the survey described above. The survey requested Gross Revenue on completed jobs and installation charges. Gross Revenue does not include work in progress or any deposits received on orders.

Table 1 Gross Revenues 2024 Franchised Locations Open More Than 1 Year	2024
Number of Franchised Locations	16
Average Gross Revenue	\$1,144,664
Highest Gross Revenue	\$1,547,655
Lowest Gross Revenue	\$453,099
Median Gross Revenue	\$1,310,330

During the year ended December 31, 2024 nine of the sixteen franchised locations open for more than one year (56.3%) exceeded the average Gross Revenue of \$1,144,664.

Section 2. Key Performance Indicators

Franchised Locations

Each of our representative franchised locations was asked to provide information regarding certain key performance indicators for the 2024 calendar year. Twelve representative franchised locations (75%) provided all of the information requested. The data presented in Tables 2 through 9 below represent the performance of those twelve franchised locations based on their response to the survey described above.

Of the twelve responding representative locations, nine (75%) are owned by multi-territory franchise owners, and three (25%) are owned by single territory franchise owners. Because multi-territory franchise owners have an opportunity to benefit from shared resources such as advertising, rent, and personnel we present the groups separately in Tables 2 through 9 below.

Table 2 and 3 shows the figures for 7 locations as opposed to 12. Two franchise owners who collectively own five territories, reported cost of goods sold which included inventory adjustments resulting from atypical events and were therefore excluded from these 2 tables. The tables represents the reported cost of goods sold for the remaining 4 representative multi store territories.

Table 2 Cost of Goods Sold 2024	Single Territory Franchises	Multi Territory Franchises	Total Responding Franchises
Number of Locations	3	4	7
Average Cost of Goods Sold	\$303,307	\$416,558	\$402,308
Highest Cost of Goods Sold	\$498,147	\$470,055	\$498,147
Lowest Cost of Goods Sold	\$159,627	\$363,061	\$159,627
Median Cost of Goods Sold	\$492,148	\$416,558	\$470,055

Table 3 Cost of Goods Sold as a Percentage of Gross Revenue 2024	Single Territory Franchises	Multi Territory Franchises	Total Responding Franchises
Number of Locations	3	4	7
Average Cost of Goods Sold Percentage	34.7%	32.0%	33.0%
Highest Cost of Goods Sold Percentage	35.2%	34.3%	35.2%
Lowest Cost of Goods Sold Percentage	34.4%	30.4%	30.4%
Median Cost of Goods Sold Percentage	34.8%	32.4%	34.3%

Table 4 Rent Expense 2024	Single Territory Franchises	Multi Territory Franchises	Total Responding Franchises
Number of Locations	3	9	12
Average Rent	\$67,811	\$85,169	\$80,830
Highest Rent	\$70,933	\$113,286	\$113,286
Lowest Rent	\$61,567	\$65,628	\$61,567
Median Rent	\$66,250	\$66,057	\$68,495

Table 5 Payroll Expense 2024	Single Territory Franchises	Multi Territory Franchises	Total Responding Franchises
Number of Locations	3	9	12
Average Payroll Expense	\$324,648	\$399,022	\$380,428
Highest Payroll Expense	\$471,801	\$461,383	\$471,801
Lowest Payroll Expense	\$30,343	\$292,233	\$30343
Median Payroll Expense	\$251,072	\$421,727	\$421,727

Table 6 Payroll Expense as a Percentage of Gross Revenue 2024	Single Territory Franchises	Multi Territory Franchises	Total Responding Franchises
Number of Locations	3	9	12
Average Payroll Expense Percentage	29.3%	29.7%	29.7%
Highest Payroll Expense Percentage	32.9%	32.6%	32.9%
Lowest Payroll Expense Percentage	6.7%	25.2%	6.7%
Median Payroll Expense Percentage	19.8%	32.6%	32.2%

Table 7 Staffing Levels 2024	Single Territory Franchises	Multi Territory Franchises	Total Responding Franchises
Number of Locations	3	9	12
Average Staffing (number of employees)			
Installers	2.8	2.7	2.7
Sales/Designers	2.0	2.4	2..
Administrative	1.2	1.3	1.3
Warehouse	0.7	0.2	0.3
Total Staff Count	6.7	4.9	5.3
Highest Total Staff Count	9.0	8.5	9.0
Lowest Total Staff Count	2.0	5.0	2.0
Median Total Staff Count	5.5	6.5	5.5

Table 8 Gross Revenue per Installer 2024	Single Territory Franchises	Multi Territory Franchises	Total Responding Franchises
Number of Locations	3	9	12
Average Gross Revenue per Installer	\$390,414	\$505,097	\$457,011
Highest Gross Revenue per Installer	\$409,346	\$883,321	\$883,321
Lowest Gross Revenue per Installer	\$302,065	\$264,490	\$264,490
Median Gross Revenue per Installer	\$355,706	\$619,062	\$436,777

Table 9 Gross Revenue per Sales Designer 2024	Single Territory Franchises	Multi Territory Franchises	Total Responding Franchises
Number of Locations	3	9	12
Average Gross Revenue per Sales Designer	\$553,087	\$561,480	\$559,649
Highest Gross Revenue per Sales Designer	\$906,198	\$1,547,655	\$1,547,655
Lowest Gross Revenue per Sales Designer	\$511,682	\$302,274	\$302,274
Median Gross Revenue per Sales Designer	\$511,682	\$642,735	\$586,524

Notes to Tables 1 through 9

1. “Gross Revenue” includes the total gross revenue derived by a franchisee from the operation of the Franchised Business whether from sales for cash or credit, including sales of both franchise products and services, and including installation charges, exclusive of all sales taxes, use taxes, gross receipts taxes and other similar taxes added to the sales price and collected from the customer, and less any bona fide refunds, rebates, and discounts.
2. Cost of Goods Sold represents the cost of components and completed products, including applicable inbound freight costs and taxes, used in the production and installation of the products sold and represented by Gross Revenues.
3. Cost of Goods Sold as a Percentage of Gross Sales is the mathematical result of dividing Cost of Goods Sold by Gross Revenue.
4. Rent Expense represents the amount paid for showroom, shop, and storage space including taxes and common area maintenance charges paid to landlords.
5. Payroll Expense represents salary and wage amounts paid to all employees. Owner compensation is not included.
6. Payroll Expense as a Percentage of Gross Revenue is the mathematical result of dividing Payroll Expense by Gross Revenue. Not all Payroll Expense is directly variable with Gross Revenue.
7. Staffing Levels represent the full-time equivalent headcount for each of the listed functions. Owners are included in Staffing Levels.
 - a. Installers are defined as the individuals who assemble, deliver and install the product in the customer’s home. Installers are generally paid hourly.
 - b. Sales Designers are the individuals who initially interact with the customer, determine their needs and tastes, design and sell the product to the customer. Sales Designers are generally paid on a salary plus commission basis
 - c. Administrative Employees include office staff, bookkeepers, and office managers. and management if applicable. Administrative Employees are generally paid on either an hourly or a salary basis, depending on their responsibilities.

8. Gross Revenue per Installer is a measure of installer productivity and effective staffing levels. Gross Revenue per Installer is the mathematical result of dividing Gross Revenue by the number of Installers.
9. Gross Revenue per Sales Designer is a measure of Sales Designer effectiveness and staffing levels. Gross Revenue per Sales Designer is the mathematical result of dividing Gross Revenue by the number of Sales Designers.

Section 3. Gross Revenues By Location

Table 10 below represents 2024 Gross Revenues for each of the sixteen representative franchised locations as of December 31st of 2024.

Table 10 Gross Revenues Franchise Locations	2024
Number of Locations	16
Location 1	\$ 768,976
Location 2	\$1,310,330
Location 3	\$1,413,313
Location 4	\$1,432,710
Location 5	\$ 720,690
Location 6	\$1,547,655
Location 7	\$1,432,710
Location 8	\$ 462,138
Location 9	\$ 974,472
Location 10	\$1,057,959
Location 11	\$1,547,655
Location 12	\$ 453,099
Location 13	\$1,310,330
Location 14	\$1,413,313
Location 15	\$1,057,959
Location 16	\$1,413,314
Average Gross Revenue	\$1,144,664
Highest Gross Revenue	\$1,547,655

Lowest Gross Revenue	\$ 453,099
Median Gross Revenue	\$1,310,330
Number Exceeding Average	9
Percent Exceeding Average	56.3%

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

The information presented in this Item 19 is unaudited.

Written substantiation for the representations in this Item 19 will be made available to a prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, Closets Unlimited of New Jersey, Inc. 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 Robert Lewis, 436 Commerce Lane, Suite D, West Berlin, NJ 08091, (856) 627-5700, 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 Ended December 31, 2022, December 31, 2023 & December 31, 2024

MORE SPACE PLACE				
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
FRANCHISED	2022	26	26	0
	2023	26	26	0
	2024	26	27	+1
COMPANY- OWNED	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
TOTAL OUTLETS	2022	27	27	0
	2023	27	27	0
	2024	27	28	+1