

## **ITEM 18. PUBLIC FIGURES**

Public figures have from time to time promoted Cornwell products and franchise by use of the products and otherwise on Stacey David's GearZ® TV show and by John Force Racing, Inc., and at national auto racing events and otherwise. Under license, Cornwell offers products bearing Stacey David's GearZ® and John Force Racing, Inc., and related trademarks and copyrights. No public figure using Cornwell products is involved in the actual management or control of Cornwell. No public figure has invested any amount in Cornwell or in a franchise offered by Cornwell.

## **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.

Presented below in Sections 19-A and 19-B are certain operating and sales results from 669 Cornwell Dealers during the period from January 1, 2024 through December 31, 2024. This Item 19 only includes operating data for Cornwell Dealers in the United States that operated pursuant to Dealer Franchise Agreements with Cornwell and were in business for all of 2024. Cornwell is not providing, and this Item 19 does not reflect, information regarding Dealers who started during 2024 or those who terminated during 2024.

Section 19-A reflects the average gross revenue figures, referred to as "Average Total Completed Business," for the described Cornwell Dealers, which includes the revenue from the sales of goods purchased by the Dealers from Cornwell and any other items that were sold by the Dealers. Section 19-A also includes the Median, and the Highest and Lowest gross revenue figures. The information is segregated into thirds, based on Total Completed Business.

Section 19-B reflects the average weekly sales figures for the described Cornwell Dealers in 2024. Section 19-B also includes the Median, and the Highest and Lowest weekly sales figures.

The information in Section 19-A and Section 19-B is explained below. Please read carefully all of the information in this Item 19, and all of the notes following the data, in conjunction with your review of the historical data.

Section 19-A:

Average, Median, and Highest and Lowest Numbers in the Range of  
Total Completed Business – 2024

CHART 1

<b>All reporting Dealerships</b>		
Top 1/3	Middle 1/3	Bottom 1/3
Average: <b>\$882,192.42</b>	Average: <b>\$577,493.34</b>	Average: <b>\$381,257.88</b>
No. of Dealers Above Average: <b>83</b> (37%)	No. of Dealers Above Average: <b>115</b> (52%)	No. of Dealers Above Average: <b>120</b> (54%)
Median: <b>\$821,927.78</b>	Median: <b>\$578,875.22</b>	Median: <b>\$395,706.46</b>
Highest: <b>\$2,023,692.59</b>	Highest: <b>\$665,275.48</b>	Highest: <b>\$499,075.91</b>
Lowest: <b>\$665,832.82</b>	Lowest: <b>\$500,474.38</b>	Lowest: <b>\$61,162.73</b>

Notes for Section 19-A:

1. Chart 1 reflects the operating data for 669 total Cornwell Dealers in the United States operating pursuant to Dealer Franchise Agreements with Cornwell that were in business for all of 2024 and who reported sales for at least 48 weeks during 2024. The three groupings of Dealers in Chart 1 (Top 1/3, Middle 1/3 and Bottom 1/3) included 223 Dealers in the Top 1/3 group, 223 Dealers in the Middle 1/3 group, and 223 Dealers in the Bottom 1/3 group.
2. The term “Total Completed Business,” as used in Section 19-A, means the total cash or revenue a Dealer received during 2024, including sales tax collected, from the sale of all “Products.” This includes revenue from the sale of goods purchased by the Dealers from Cornwell and any other items that were sold by the Dealers. The revenue received by the Dealers is comprised of cash sales (received by currency, check or credit/debit card), Time Payment collections from previous sales and credits received by the Dealer

from the sale of Tech-Credit Agreements (installment contracts; see Item 10, Note 2 above).

3. The “Average” is calculated by adding the total business for all Dealers in the group, and dividing that number by the number of Dealers in the group.

4. The term “Median” means the data point that is in the center of all data points used. For example, in the “Top 1/3” group in Chart 1 there were 223 Cornwell Dealers. The “median” Total Completed Business of \$821,927.78 means that 111 of the 223 Dealers in the group had Total Completed Business greater than \$821,927.78, 111 of the 223 Dealers in the group had Total Completed Business of less than that figure, and 1 of the 223 Dealers in the group had exactly Total Completed Business of that figure.

5. The term “Highest” and “Lowest,” as used in Section 19-A, refers to the highest and lowest numbers in the range.

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## **CHART 2**

### **Section 19-B** Weekly National Dealer Sales Average - 2024

<b>All Reporting Dealers</b>	
National Dealer Sales Average:	\$12,344.97
Dealers Reporting:	668
Dealers At or Above Average:	258 (39%)
Median:	\$11,211.84
Highest:	\$53,527.70
Lowest:	\$448.47

#### Notes for Section 19-B:

1. Chart 2 reflects the operating data for 668 total Cornwell Dealers in the United States operating pursuant to Dealer Franchise Agreements with Cornwell that were in business for all of 2024 and who reported sales for at least 48 weeks during 2024.

2. The terminology “National Dealer Sales Average” as used in Section 19-B means the total reported sales of all “Products” (goods purchased by the Dealers from Cornwell and any other items that were sold by the reporting Dealers) in 2024, divided by the number of weekly “close-outs” of those same Dealers. Each week the Dealers are required to report their sales of Products which are the gross selling price of all Products, whether or

not the sale is for cash, for credit, or partial cash and partial credit, or trade-in. When a Dealer closes out its sales for the week, it triggers a report. The total sales for a year may not be reported for each of 52 weeks, as Dealers may not close out sales each week. Therefore, the annual National Sales Average may not represent 52 weeks of sales.

4. The term “Median” means the data point that is in the center of all data points used. The “median” sales of \$11,211.84 means that 334 of the 668 Dealers had total reported sales averages greater than \$11,211.84 and 334 of the 668 Dealers in the group had total reported sales of less than that figure.

5. The terminology “Highest” and “Lowest,” as used in Section 19-B refers to the highest and lowest numbers in the range. The Highest amount of Product sales averages reported in a week during 2024 was \$53,527.70 and the Lowest amount was \$448.47.

6. The number of Dealers reporting sales in 2024 was 668. The 668 Dealers were Cornwell Dealers in the United States who (i) were in business at the beginning of 2024, (ii) were operating at the end of 2024, and (iii) reported sales close-outs at least 48 weeks during 2024.

7. One of the differences between the “Total Completed Business” and “Sales” is that “Sales” (Section 19-B) reflects all sales, even if some of the payments have not been received, and “Total Completed Business” (Section 19-A) reflects sales only based on cash collected and Tech-Credit credits received. Therefore, there is a difference due to timing and collections. Another difference between “Total Completed Business” and “Sales,” is that the figures reported by Dealers for Total Completed Business includes sales tax collected, and that the figures for Sales do not include sales tax.

8. The National Dealer Sales Average is different from “the national average of Cornwell franchise dealers’ weekly purchases” that will be utilized in connection with the performance criteria discussed in Item 8.

Notes for both Sections 19-A and 19-B, and this entire Item 19:

1. The data in the charts are obtained from the Dealers through the IBN system (see Item 7, Note 11). As Dealers purchase goods from Cornwell, they also report on sales made and revenue received. A weekly sales report is generated if the Dealer places an order to purchase goods in a given week. Therefore, the information in the charts is based solely on data received from the Dealers through IBN. We have not attempted to verify the information received from the Dealers. These figures have not been reviewed or audited by Cornwell.

2. During the time period covered by this financial performance representation—the 2024 calendar year—129 Dealers closed or ceased operations. Of these, 15 were open for less than 12 months.

3. Substantiation of the data used in preparing the materials in this Item 19 will be made available to you upon reasonable request.

4. Your sales, revenue and income will be affected by a variety of factors, including the sales and marketing skills of the Principal Operator of the Dealership; the Principal Operator's frequency of visits to actual and potential customers; efforts to collect on unpaid invoices or installment contracts; retail prices charged for products; discounts that may be offered; prevailing economic or market conditions; demographics; interest rates; the capitalization level of the Dealership; the amount and terms of any financing that you may secure; and the Principal Operator's business and management skills.

**5. Some Dealers have sold and collected the amounts shown. Your own results may differ. There is no assurance that you will sell or collect as much.**

6. The charts do not include any estimate of, or specific or historical data regarding, costs, expenses or debts that a Dealer has incurred, or may in the future incur. We cannot predict or project your costs and expenses to be paid from revenue you receive. We cannot therefore project your net income.

The following is a partial list of the types of expenses that a Cornwell Dealer may incur:

- Labor costs, including payroll, taxes and benefits (which may include health and/or life insurance, vacation, and pension plan contributions) for your Principal Operator or any other employee.
- Cost of goods sold, which includes wholesale cost of products that may be offered.
- Truck or van costs, including lease or purchase payments, maintenance, gas, and similar costs.
- Insurance.
- Marketing and promotional costs.
- Communication costs (phone, internet, etc.).
- Freight costs incurred with tool returns and warranty repairs, as well as those incurred for receiving shipments of certain items from Cornwell.
- Interest paid to Cornwell or other sources of financing and banking/credit/debit card fees.
- Bad debt owed by a Dealer's customers that must be written off.

The types of expenses, and the amount of costs and expenses, are likely to vary from Cornwell Dealer to Cornwell Dealer. These may not be all of the expenses that you will incur.

7. Prospective Dealers should be aware that in evaluating a financial performance representation or an earnings claim that includes revenue or sales figures only, or does not include all costs of goods sold, operating expenses, and other expenses, that costs and expenses must be deducted from the gross revenue or gross sales figures to obtain net income or profit. This Item 19 financial performance representation does not include net income or profit.

8. The Cornwell Dealers whose results are reflected in Sections 19-A and 19-B have been operating a Cornwell Dealership during 2024. Some of the Dealers have been operating their Cornwell Dealership for many years and may have developed a large and loyal customer base.

9. The information in this Item 19 reflects the historical aggregate results of 669 Cornwell Dealers in 2024. You are strongly advised to conduct an independent investigation of this opportunity to evaluate the expected or potential costs and expenses you will incur as a Cornwell Dealer. You should consult your attorney, accountant, and other professional advisors. Also, current and former Dealers listed in this Disclosure Document may be one source of information.

10. Other than the preceding financial performance representations in this Item 19, Cornwell does not make any financial performance representations. We do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing Dealership, however, we may provide you with the actual records of that business. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Andrew Scott, Cornwell's Director of National Sales, at 667 Seville Road, Wadsworth, Ohio 44281, (330) 336-3506, the Federal Trade Commission, and the appropriate state regulatory agencies.

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**ITEM 20. OUTLETS AND FRANCHISEE INFORMATION**

**1. FRANCHISED AND COMPANY OWNED OUTLETS.** The following table gives the total number of Cornwell franchisees in the last three years. There are no Cornwell-owned outlets, nor does Cornwell intend to establish any company-owned outlets.

**TABLE NO. 1  
SYSTEM-WIDE OUTLET SUMMARY  
FOR THE YEARS 2022 TO 2024**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2022	776	809	33
	2023	809	795	-14
	2024	795	793	-2
Company Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	776	809	33
	2023	809	795	-14
	2024	795	793	-2

**2. CHANGES IN NUMBER OF OUTLETS.** The following table gives the total number of transfers of ownership of franchises from one franchisee to another. Cornwell does not acquire franchises. The “transfer” of a franchise for this purpose means that Cornwell approved a new franchised dealer in some or all of the same territory as a former dealer. Ownership of a Cornwell franchise, as such, cannot be transferred except upon the death or disability of a franchisee, to an active member of his or her family. Any transfer of assets from an outgoing dealer to a new dealer, such as a truck, inventory and accounts receivable, is arranged directly between them, without any involvement by Cornwell, other than to approve the truck for further use or to facilitate the process of asset transfer if the parties so request. Cornwell reserves the right to advise the new dealer concerning the terms of the transfer, if it believes that the terms would have a significant negative effect on the financial position of the new dealer.

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