

## Special Risks to Consider About *This Franchise*

Certain states require that the following risks be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation or binding arbitration only in North Carolina. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with the franchisor in North Carolina than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
- ~~3. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.~~
- ~~4.3. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.~~
- ~~5.4. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.~~
- ~~6.5. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.~~
6. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.
7. **Unregistered Trademark: The Primary Trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.**

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

## **Marketing, the Business System, the Marks, and the Manuals**

Pearce Bespoke has developed a marketing system which creates a certain product image in the minds of customers, a business strategy for getting and keeping customers, and a distribution method for products and services. Pearce Bespoke has developed all these areas of business as part of its system (the “Business System”), which you will receive the right to use Pearce Bespoke uses and licenses certain service marks and trademarks, logos, trade dress, and other commercial symbols, including the service mark Pearce Bespoke (collectively, the “Marks”). Pearce Bespoke may, in the future, modify the Marks as well as add new trademarks, service marks, logos, trade dress, and other commercial symbols.

The purchase of a Franchise permits you: (i) to use Pearce Bespoke’s Marks; (ii) to obtain access to the distinctive operational and management attributes of the Business System, including confidential manuals describing complete guidelines for the operation of a Franchise (the “Manuals”); (iii) the right to use Pearce Bespoke’s Approved Suppliers (see Item 8); and (iv) to receive the benefits of association with an expanding franchise system, including various forms of opening and operational assistance from Pearce Bespoke (see Item 11). You must comply with all of Pearce Bespoke’s requirements described in the Franchise Agreement and the Manuals. This compliance assures uniform and consistent application of the Business System which is essential to the successful operation of your Franchise.

## **Laws and Regulations**

You must comply with all laws, rules, and regulations governing the operation of the Franchise, and obtain all permits and licenses necessary to operate your Franchise (including licenses to play music, videos, or television in your Franchise, if applicable). In addition to laws and regulations that apply to businesses generally, your Franchise may be subject to local statutes or regulations that generally govern tailors and other trades. You should check with state and local government entities to find out if these types of statutes or regulations will apply to your franchise. Your Franchise will also be subject to various federal, state, and local government regulations, including those relating to site location.

## **Competitive Nature of the Industry**

The market for custom tailored men and women’s clothing and accessories is well developed, competitive, and continues to expand as consumers recognize the value associated with these custom items. As a result, you will face significant competition, both directly and indirectly, from similar mobile custom clothing competitors. You will likely also compete with other retail custom clothing shops, on-line sales, and similar clothing websites. Pearce Bespoke and its franchisees will likely face increased competition as additional competitors enter the market. Several of these competitors are regional or national systems selling custom clothing and related accessories. Several of these competitors may have significantly greater financial resources than Pearce Bespoke and you.

## **ITEM 2 BUSINESS EXPERIENCE**

### **Nathan Pearce – Chairman of the Board, Director, and Chief Executive Officer**

Nathan Pearce has served as the Company’s Chief Executive Officer since October 2021. ~~Pearce and is based at the Company’s headquarters in Huntersville, North Carolina. He~~ is also the Co-Founder of Made and Mastered d/b/a Maison Chemise ~~since May 2019, a private label woven shirt company, headquartered in Atlanta, GA Georgia, where he has served since May 2019.~~

### **Shafik Mina – President and Chief Operating Officer**

Shafik Mina ~~joined~~ ~~has served as the company as~~ Company’s President and Chief Operating Officer ~~assince~~ April 1, 2025. ~~Shafik brings with him a wealth of experience in franchising as previous~~ From June 2012

~~to October 2024, he was~~ President and Co-Owner of the Mad Science Group ~~and co-founder of, located in Montreal, Quebec, Canada. He also co-founded~~ Crayola Imagine Arts Academy, ~~brands with 40 years of franchising and development and served as its President from April 2017 to October 2024, also located in 20 plus countries.~~ Montreal, Quebec, Canada.

### **Julie Ponceau – National Director of Franchise Training**

Julie Ponceau joined the Company as National Director of Franchise Training in November 2023. ~~With a Bachelor's Degree in Fashion Merchandising, and 14 years of experience in custom menswear and sales management, she brings a deep understanding of both client service and team leadership.~~ Prior to joining Pearce Bespoke, she spent seven years at Suitsupply, ~~where she played an integral role in driving sales growth across multiple locations and beta testing new product and tool launches.~~ in New York, New York.

### **Drake Linarte – Vice President of Product Management**

Drake Linarte joined the Company as Vice President of Product Management on June 17, 2024. ~~He brings over a decade of experience in operations, supply chain, and project management, having led Cross functional teams and major efficiency initiatives at companies like Swift Transportation, Clinical Innovations and Industrial Supply. Drake holds a Bachelor of Science in Operations and Supply Chain Management from the University of Utah and is Six Sigma Green Belt Certified.~~ From August 2019 to October 2023, he was employed at Swift Transportation.

## **ITEM 3 LITIGATION**

No litigation is required to be disclosed in this Item.

## **ITEM 4 BANKRUPTCY**

In re Pearce, Case No. 17-50881 (U.S. Bankruptcy Court for the Southern District of Mississippi, October 2, 2017). Our Chief Executive Officer, Nathan Pearce, personally filed a bankruptcy petition under Chapter 7 of the U.S. Bankruptcy Code on May 3, 2017. The bankruptcy court entered a discharge in October 2017.

Other than what has been disclosed above, no bankruptcy information is required to be disclosed in this Item.

## **ITEM 5 INITIAL FEES**

### **Franchise Agreement**

When you sign your Franchise Agreement, you must pay to us the initial franchise fee (“Franchise Fee”) of \$55,900, for a Franchised Territory with a population of between 50,000 to 200,000 people or \$29,000 for a Franchised Territory with a population of no more than 50,000 people. The Franchise Fee is due upon the signing of our Franchise Agreement and is considered fully earned by Pearce Bespoke upon payment. The Franchise Fee includes your license to operate the Franchise. This Franchise Fee is not refundable, in whole or in part, under any circumstances. The initial Franchise Fee is calculated and applied uniformly to all our franchisees. The method we use to calculate the Franchise Fee is uniform for all franchises that we offer through this Disclosure Document.

### **Development Agreement**

## Estimated Initial Investment – Multiple Businesses Under Development Agreement

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is Made
Development Fee (1)	\$106,800 (2 Territories)	Lump sum	When sign Development Agreement	Us
Estimated Initial Investment for First Franchised Business (2)	\$13,919 - \$72,420	As incurred	As incurred	Us and third parties
<b>TOTAL</b>	<b>\$120,719 - \$179,220</b>			

### Notes:

In general, none of the expenses listed in the above chart are refundable.

1. Please see Item 5 for information on the Development Fee.
2. These are the estimates for development of your first Franchised Business. Costs associated with additional territories are subject to factors that we cannot estimate or control, such as inflation, increased labor costs or increased materials costs.

## ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Franchise in accordance with our Business System. The Business System’s standards and specifications relating to the establishment, operation, and regulation of your Franchise, include but are not limited to, goods, services, supplies, items, equipment, inventory, and real estate fixtures; computer hardware, software, search engine optimization services, client survey services; marketing materials, advertising and sales collateral, use of signs, letterhead, business cards, and other promotional materials; credit card processing services; insurance providers; vehicle manufacturers (including make and model); and all clothing manufacturers and distributors used in operating your Franchise.

Pearce Bespoke has negotiated or will negotiate programs with several manufacturers and suppliers so that franchisees may benefit from volume purchasing and prepaid freight programs. Third party vendors may charge franchisees directly for products or services. The Business System’s standards and specifications are based upon our experience with various vendors, contractors, and suppliers in the custom clothing and franchising industries and we will provide you with a list of our approved suppliers (“Approved Suppliers”). Pearce Bespoke retains the sole and absolute discretion to make the final determination on all Approved Suppliers, however, we will consider supplier approval requests from franchisees upon written request. Our criteria for approving items and suppliers are not available to you. We will approve or disapprove a supplier within 30 days after we receive written notice from you- as well as any samples of the product or service or such other information as we require. Along with your written request that we approve a proposed item or supplier, you must pay an evaluation fee of \$500, plus our costs for examination and testing. All suppliers you use must be approved by us before you can use them and may be subject to our training and reporting requirements. We reserve the right to revoke approval of any item or supplier that does not continue to meet our then-current standards.

Pearce Bespoke is an Approved Supplier for certain items ~~for~~ which you are contractually obligated to purchase in the operation of your Franchise, specifically the Opening Inventory Package, Clothier Inventory Package, and uniforms. Our CEO, Nathan Pearce has an ownership interest in us. No other officers own any interest in any approved or designated supplier for any product, good or service that you are required to purchase for the operation of your Franchise. Pearce Bespoke, its officers and/or persons affiliated with

us, may now or in the future own an interest in Pearce Bespoke and be Approved Suppliers of certain items of the Business System.

~~Pearce Bespoke officers do not own any interest in any Approved Supplier.~~ Approved Supplier items include, but shall not limited to, recruiting services, computer hardware, software, collaboration and communication services, telephone, information management system, credit/debit card processing, criminal history background checks, email marketing, online accounting, virtual phone systems and client online surveys. You must license the POS/CRM software and purchase the computer hardware components for the POS System (the “POS System”) either from us or a third-party vendor which may be modified from time to time in the Manuals. In the last fiscal year ending on December 31, ~~2023~~2024, we had total revenues of \$572,535 of which \$234,000, or 40.1%, was derived in revenue from required franchisee purchases or leases. Our affiliates have not received any other rebates, discounts or other material consideration from any other suppliers based on your required purchases of products, supplies or equipment.

To ensure a uniform image and quality of products and services throughout the Pearce Bespoke Business System, you must maintain the standards and specifications in accordance with the Manuals. You must comply with Pearce Bespoke’s then-current approved standards and specifications in the Manuals in operating and equipping your Franchise. You must use equipment (including hardware and certain software programs for the POS System), signs, items, furnishings, products, supplies, and advertising and sales promotion materials which meet the standards and specifications of Pearce Bespoke’s Business System. In addition, you may sell from your Franchise only those categories of products and services that Pearce Bespoke approves. Pearce Bespoke periodically publishes for franchisees a list approved product categories for use in a Franchise. Pearce Bespoke may periodically update and alter these categories of products and services you may sell from your Franchise. Pearce Bespoke’s Manuals currently establish standards and specifications for men’s and women’s clothing and other items sold in your Franchise. Franchisee will have the right to advertise and sell its products at whatever prices Franchisee determines.

You must purchase and maintain, at your expense, comprehensive general liability insurance in an amount Pearce Bespoke will designate periodically, but at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate. This insurance must insure Pearce Bespoke, you and any other person Pearce Bespoke designates from liability for all damage or injury. You must also purchase business interruption insurance, business personal property insurance, money, and securities insurance, and building insurance (if applicable). In addition, you must maintain any other insurance as may be required under law.

The products or services we require you to purchase or lease from an Approved Supplier, or purchase or lease in accordance with Business System’s standards and specifications, are referred to collectively as your “Required Purchases.” We estimate that your Required Purchases, purchases from Approved Suppliers and purchases that must meet our specifications in total will be about 65% - 80% of your total purchases to establish the Franchise and about 65% - 80% of your purchases to continue the operation of your Franchise.

Pearce Bespoke may provide certain administrative, technical, design, and advisory services and data to a limited number of Approved Suppliers and other suppliers. We and/or our affiliates may negotiate supply contracts with our Approved Suppliers or other suppliers under which we are able to purchase products, equipment, supplies, services, and other items at a price that will benefit us and our franchisees. We and/or our affiliate(s) may receive payments or other compensation from Approved Suppliers or any other suppliers on account of these suppliers’ dealings with us, you, or other franchises in the Business System, such as barter, cash, credit (regardless of collection), rebates, allowances, commissions, or any other forms of compensation. We may use any amounts that we receive from Approved Suppliers and other suppliers for any purpose that we deem appropriate as a result of any and all transactions with franchisees.

## **ITEM 9 FRANCHISEE’S OBLIGATIONS**

obligation.

## **ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

**Except as listed below, Pearce Bespoke is not required to provide you with any assistance.**

Pre-Opening Assistance. Before you open your Franchise, Pearce Bespoke will:

- 1) Provide assistance in your evaluation of the Franchise and leasing issues related to the Franchise and vehicle, if any, in accordance with the standards and specifications of the Business System (Franchise Agreement – Section 7(A)).
- 2) Provide you with a list of the standard equipment, supplies, signs, and initial custom inventory of the Franchise (Franchise Agreement – Section 7(I)).
- 3) Provide the mandatory training program described below (Franchise Agreement – Section 7(D)).
- 4) Provide you with electronic copies of the Manuals. You must keep the Manuals confidential and return them when the Franchise Agreement terminates (Franchise Agreement – Section 7(F)).
- 5) Assist you in developing a business plan template for your Franchise (Franchise Agreement – Section 7(G)).
- 6) Designate the boundaries of your Franchised Territory. We will determine the boundaries of your Franchised Territory prior to signing the Franchise Agreement. We consider population density and average household income. You may operate from a co-working space or other shared work space, in your discretion. You are not required to submit a co-working space or other shared work space for our approval. If you are a Developer, we will determine the boundaries of the Franchised Territory for each mobile unit under the Development Schedule at the time the Franchise Agreement for the mobile unit is signed, which determination will be based on our then-current standards. (Franchise Agreement -Section 1(B)).
- 7) You will have the right to advertise and sell products at the prices you determine (Franchise Agreement- Section 6(F)).

Ongoing Assistance. During the operation of your Franchise, Pearce Bespoke will:

- 1) Provide consultation as needed to conduct periodic evaluations of your Franchise and provide to you feedback to assist you in the operation of your Franchise (Franchise Agreement – Section 7(H)).
- 2) Periodically make available all changes to the Business System via the Manuals electronically (Franchise Agreement – Section 7(H)).
- 3) Periodically furnish you with updated and revised material for the Manuals electronically (Franchise Agreement – Section 7(H)).
- 4) Develop advertising and marketing materials to assist in promoting your Franchise (Franchise Agreement – Section 7(H)).

### **Marketing Programs**

Pearce Bespoke establishes and conducts various marketing programs as follows:

#### Brand Fund

Pearce Bespoke FDD 2025 B  
2025 FDD

We may use contributions to the Brand Fund Fee to satisfy any and all costs of maintaining, administering, directing, preparing, and producing advertising, social media, public relations, including the cost of preparing and producing television, radio, magazine and newspaper advertising campaigns, the cost of direct mail and outdoor billboard advertising; the cost of public relations activities, social media activities and advertising agencies; the cost of developing and maintaining an internet website and social media pages; and personnel and other departmental costs for advertising that we internally administer or prepare. Pearce Bespoke may contract with outside marketing agencies and production companies to produce certain advertising, marketing, and promotional materials. The Brand Fund may be on a local, regional, or national level and may at our discretion utilize national or regional marketing agencies.

You must pay us a Brand Fund Fee of 2% of Gross Sales per week, which we may increase up to a maximum of 3% of Gross Sales per week. Pearce Bespoke administers the use of Brand Fund Fees collected from franchisees. Not all Pearce Bespoke franchisees will benefit directly or on a pro-rata basis from the Brand Fund's expenditures. We may contribute to the Brand Fund in our sole discretion and be reimbursed later by the Brand Fund. Pearce Bespoke does not prepare a financial statement as to the collection and use of Brand Fund Fees, nor are the Brand Fund Fees audited. Pearce Bespoke will, however, provide you (at your request) an accounting of the most recently completed fiscal year. Pearce Bespoke is not obligated to spend any amount of the Brand Fund Fee on advertising in the area or territory where you are located. Pearce Bespoke will carry over for future use Brand Fund Fees not spent in any fiscal year. While we do not anticipate that any part of the Brand Fund will be used for advertising or public relations that are principally a solicitation for the sale of additional franchises, we reserve the right to do so in the future and to include a notation in any advertisement indicating that franchises are available.

You may develop advertising and marketing materials for your own use, at your own cost, if you follow the Business System standards and specifications, as outlined in the Manuals. Business System guidelines and your materials must be factually correct, accurately depict the Marks, and communicate the Pearce Bespoke™ brand position and character that Pearce Bespoke has established for Franchises. If you develop advertising or marketing materials, you must provide a copy of the materials to Pearce Bespoke for our review and approval (in writing) before you use the advertising or marketing materials. If you desire to advertise or market on the internet, you must obtain written authorization from Pearce Bespoke. You must use approved vendors Franchisor for broadcast media placement and online advertising for your pre-opening and first year marketing activities.

In the 2024 fiscal year, Pearce Bespoke collected \$19,054.12 in Brand Fund Payments. We did not have any expenditures from the Brand Fund during the 2024 Fiscal Year. No money from the Brand Fund was spent on the solicitation of new franchise sales.

#### Franchise Advisory Council

While Pearce Bespoke does not currently have a Franchisee Advisory Council (“FAC”), we reserve the right to formulate one in the future. Pearce Bespoke appoints franchisees to serve as members of the FAC. All FAC members must be in good standing and remain in good standing during their term. All members serve on the FAC for a term determined by Pearce Bespoke. The FAC serves in an advisory capacity to, among other objectives, provide advice on advertising, research, and promotional activities to Pearce Bespoke and its outside advertising agencies. Pearce Bespoke has the power to form, change or dissolve the FAC.

## Local Marketing Cooperative

You also must participate in a local marketing cooperative (“Cooperative”) if established in the designated market area (“DMA”) where two (2) or more unaffiliated franchisees are located, including where you operate your Franchise. You ~~will not be obligated to~~ must contribute ~~more than~~ 5% of the Gross Sales for your Franchise to the Cooperative (“Market Cooperative Contribution”); however, we reserve the right to increase your Market Cooperative Contribution up to 6% of Gross Sales upon 30 days’ written notice to you.

Each Cooperative must adopt written bylaws, which follow the format Pearce Bespoke has approved. You may request a copy of the bylaws of the Cooperative (if one has been established) for your DMA from the Cooperative president or Pearce Bespoke. Each Cooperative must follow voting procedures that are consistent with the general operating rules Pearce Bespoke has established. The members of the Cooperative and their elected officials will administer the Cooperative in your area. Pearce Bespoke strongly recommends that Cooperatives prepare annual financial statements and make those financial statements available to all franchisees in that Cooperative. Pearce Bespoke has the power to establish Cooperatives and the bylaws, policies, and rules under which the Cooperatives will operate.

## Local Marketing

To the extent your annual contributions to a Cooperative are less than the required Market Cooperative Contribution for your Franchise, or if you cannot participate in a Cooperative because such a program has not been established in your DMA, you will then be obligated to conduct advertising and marketing activities in your local geographic area; provided that your local marketing activities will not reduce, eliminate, or otherwise impact your obligations to the Cooperative. Your local marketing expenditures will include advertising, merchandising, sales promotion, and other forms of marketing at the local level.

Within thirty (30) days following the end of each calendar quarter, you will provide us with an accounting of the monies that you spent for approved regional cooperative advertising and local marketing for the preceding calendar quarter. If you have failed to spend the minimum required Market Cooperative Contribution for the calendar quarter for approved regional cooperative advertising or local marketing, you may be required to deposit with us the difference between what you should have spent for advertising and marketing during the calendar quarter and what you actually spent for advertising and marketing during the calendar quarter. We will spend such amount for any type of advertising or marketing that we deem appropriate for your business, although we will use reasonable efforts to spend such amounts in your local geographic area.

## Computer System

### *Point-of-Sale System*

You must install a computerized POS System (“POS System”) purchased through Pearce Bespoke or a third-party Approved Supplier that we approve. There is an ongoing fee associated with the use of our POS System, once per month we will withhold the amount due to operate the POS System from one of your weekly payments. This POS system is periodically modified in response to business operations, marketing conditions, and changes in technology. POS System collects and holds various types of data essential for retail and business operations. As of the date we issued this Disclosure Document, the POS System includes the following minimum components:

### *Computer Software and Hardware*

You must purchase and use all computer software programs (“Software”), which we have developed or may develop and/or designate for use for the Business System through Approved Suppliers and you must also purchase such computer hardware as may be necessary for the efficient operation of the Software. We

have the right to require you to update or upgrade computer hardware components and/or Software as we deem necessary from time to time. In addition, we have the right to require you to enter into a separate maintenance agreement for such computer hardware and/or Software. Although you must buy, use, and maintain computer hardware and Software meeting our standards and specifications, you will have the sole and complete responsibility for: (i) the acquisition, operation, maintenance, and upgrading of the computer hardware and Software; and (ii) all consequences that may arise if the computer hardware and Software is not properly operated, maintained, or upgraded.

You must purchase and maintain at least (a) one iPad, (b) one cell phone, and (c) one all-in-one printer. We use cloud-based software for the POS System, email marketing, and all customer management functions. These systems may generate data for your Franchise such as sales data, customer information, employee and labor information, inventory, and financial reports. Your computer system must be PCI and PII compliant and any data or information you obtain must be secure.

You are required to participate in any area computer network, intranet system, or extranet system that we implement for the Business System, and you may be required by us to use such area computer network, intranet system or extranet system to, among other things: (i) submit your reports due under the Franchise Agreement to us online; (ii) view and print portions of the Manuals; (iii) download approved local advertising and promotions materials; (iv) communicate with us and other franchisees; and (v) participate in online training. You must agree to use the facilities of any such area computer network, intranet system or extranet system in strict compliance with the standards, protocols, and restrictions that we include in the Manuals, including those related to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory, or defamatory statements.

We estimate in Item 7 above that the cost of obtaining the POS System, software, and computer hardware to be approximately \$4,200, including \$1,3150 - \$2,500 per year. The subscription fee for the POS System, if you currently do not own any of the required computer hardware, is approximately \$385 per month. We further estimate that the annual costs of any required maintenance, updating, or support contracts will be approximately \$0 - \$500 per year. We further estimate that the annual costs of any optional maintenance, updating, or support contracts will be approximately \$0-\$500 per year. We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates. You must maintain franchised email accounts, which will be provided to you, and you must give us electronic access to information on your company computer and hosted by us or Approved Suppliers. No contractual limitation exists on our right to access the information. We may require you to upgrade or update your POS System, Software, computer hardware, and other office equipment. No contractual limitation exists on the frequency or cost of this obligation. We will have independent access to any data which you collect electronically.

There are currently no annual costs for any optional or required maintenance update, upgrading or support contracts. Pearce Bespoke reserves the right, however, to charge a reasonable fee for any ongoing maintenance and repairs, upgrades, and support services, including the costs for the POS System, Software, and hardware components. There are no contractual limitations on the frequency and cost of this requirement. Technology is constantly changing. Pearce Bespoke may require you to update your POS System, Software, or computer hardware every five (5) years or as needed, depending on changes in technology, the Business System, and Pearce Bespoke's current standards and specifications as defined in the Manuals. Pearce Bespoke cannot provide an estimate of the annual costs of any optional or required maintenance and support contracts since Pearce Bespoke has not required its franchisees to use their POS system or Software, that may be in development or that they may develop in the future, as of our last fiscal year end.

Pearce Bespoke, or a third-party vendor that Pearce Bespoke selects, will provide you with the POS System components. Pearce Bespoke currently has independent access to certain operational and financial information and data produced by your POS System and Software. There are no contractual limitations on Pearce Bespoke's right to access the information and data.

~~Although Pearce Bespoke does not do so, as of the issuance date of this Disclosure Document, Pearce~~

~~Bespoke reserves the right to charge a periodic Technology Fee for technology related services provided by Pearce Bespoke including, but not limited to, services related to Pearce Bespoke’s POS System, CRM platform, Software, current and future training platforms, and current and future social and digital media management platforms. Pearce Bespoke estimates that the amount of the Technology Fee will be roughly \$1,200 per year, per Franchise. The Technology Fee may increase up to 10% annually. You must pay us a Technology Fee in the amount of \$25 per week. The Technology Fee is a pass-through cost for the technology services we provide or arrange for third parties to provide. We reserve the right to increase the amount of the Technology Fee up to 10% annually.~~

## Development Time

The typical length of time between Pearce Bespoke’s acceptance of the Franchise Agreement and the opening of your Franchise varies from one (1) to three (3) months. Once the Franchise Agreement is executed, by its terms you will have up to three (3) months to open your Franchise. The factors that may affect the Franchise opening process may include supply chain delays, sign, equipment and inventory acquisition, lease negotiations, and financing or staffing issues. You will be in default of your Franchise Agreement if you fail to open your Franchise within the 3-month period.

## Training

You (if the franchisee is an individual) or your operating principal (if the franchisee is a business entity) and your manager (if applicable) must complete our initial training program, to our satisfaction, before opening your Franchised Business. We will train you online and/or at our location in Baton Rouge, Louisiana, or, if we permit, at your location. If we agree to train you at your location, you will be responsible for all costs associated with our travel, lodging, and other reasonably related expenses.

Trainees must satisfactorily complete the initial training program at least one week prior to the opening of the Franchised Business

## TRAINING PROGRAM

### First Session (New Franchisee Orientation Training)

Subject	Hours of Classroom Training	Hours of “Hands-On” Training	Location
Business Planning	1	4	Online
Marketing	2	0	Online
Legal Structure & Financing	2	0	Online
Franchise Development & Trade Look Standards	3	0	Online
Accounting & Bookkeeping	2	0	Online
Introduction to Advertising & Local Marketing	4	1	Online
Service Vendor Overview	3	0	Online
Technology	1	1	Online
Measuring & Ordering	3	0	Online

Introduction to Buying Custom Products	2	0	Online
Style & Trend Training	1	3	Online
<b>TOTALS</b>	<b>24</b>	<b>9</b>	

### Second Session (Concept Training)

Subject	Hours of Classroom Training	Hours of “Hands- On” Training	Location
Franchise Operations	2	0	Baton Rouge, LA and/or Online
Marketing & Social Media	2	2	Baton Rouge, LA and/or Online
Computer Training	1	2	Baton Rouge, LA and/or Online
Tailor Certification	2	2	Baton Rouge, LA and/or Online
Employee Management	1	0	Baton Rouge, LA and/or Online
Loss Prevention	.5	0	Baton Rouge, LA and/or Online
Customer Service	1	0	Baton Rouge, LA and/or Online
Financial Management	2	0	Baton Rouge, LA and/or Online
Business Plan Updates	1	0	Baton Rouge, LA and/or Online
Inventory Management	.5	0	Baton Rouge, LA and/or Online
Visual Merchandising	1	0	Baton Rouge, LA and/or Online
Product Knowledge	2	2	Baton Rouge, LA and/or Online
<b>TOTALS</b>	<b>16</b>	<b>8</b>	

Our initial training program is managed by Nathan Pearce, whose biographical information is in Item 2. We reserve the right to use other individuals as trainers, all of whom shall have at least 6 months of experience relevant to the subject being taught. We conduct our initial training program on a quarterly basis as needed.

Our training materials consist of Pearce Bespoke Manuals, the electronic POS System guide and guide to CRM reports, training manual, visual merchandising manual, daily operations tools, lectures, classroom discussion, hands-on demonstration, role-play training, and practice training in the training facility.

Pearce Bespoke does not charge an additional fee for the initial training program. You are, however, responsible for travel and living expenses that you and your representatives (if any) incur while attending the initial training program. See Item 7 for additional information on those expenses. If Franchisee requests, Franchisor may at its sole discretion provide training at Franchisee’s location, and Franchisee will be responsible for reimbursing Franchisor for the transportation costs, lodging costs, and other costs reasonably related to training at Franchisee’s location, up to \$5,000.

If you do not complete our Initial Management Training Program to our satisfaction, we reserve the right to terminate the franchise agreement.

All active clothiers will be required to attend our Annual Certification Training, which may be held online or in person at a location that we designate. We anticipate the cost of recertification will be approximately \$199 will be held on a monthly basis.

## Operations Manual

Pearce Bespoke provides you with an electronic copy of its confidential Pearce Bespoke Manuals. The Manuals are subject to change and will be updated electronically, as necessary, through Pearce Bespoke's intranet. The table of contents for our current Manuals, as of the issuance of this Disclosure Document, is found in Exhibit D. The current table of contents has an equivalent of 49 total pages.

## ITEM 12 TERRITORY

You will receive a "Franchised Territory" surrounding the location of the Franchise when granted a Pearce Bespoke franchise. Pearce Bespoke utilizes computer modeled mapping which factors in population density and average household income. The Franchised Territory for Franchises located in urban areas (metropolitan areas with a population in excess of 200,000 persons) generally will have a population of between 50,000 to 200,000 people or a population of no more than 50,000 people depending on which Franchise Fee is paid to us.

You must operate the Franchise only at within the ~~accepted location~~ Franchised Territory and you may not relocate the Franchise without obtaining our prior written consent.

Pearce Bespoke will not establish another franchised or company-owned Pearce Bespoke Franchise in your Franchised Territory. Pearce Bespoke has established a Pearce Bespoke e-commerce site on the internet. Although Pearce Bespoke does not do so as of the issuance date of this Disclosure Document, Pearce Bespoke reserves the right to distribute products through alternative channels of distribution, including the internet (or any other existing or future form of electronic commerce), using the Marks inside or outside of the Franchised Territory. Pearce Bespoke also reserves the right to distribute products through alternative channels of distribution or establish franchised or company-owned businesses selling similar products or services under a trademark different from the Marks inside or outside of the Franchised Territory.

Neither we ~~or~~ nor our affiliates operate, nor do we or our affiliates plan to operate or franchise businesses under a different trademark that will sell goods or services that are the same or similar to those that you will sell.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. If we or our affiliates solicit or accept orders within your territory, we are not required to provide any compensation.

If you sign an Area Development Agreement, you will not receive an exclusive development area. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. During the term of your Area Development Agreement, provided that you are not in default of your Agreement or development schedule, we will not open another Pearce Bespoke mobile unit or grant the right to anyone else to open a Pearce Bespoke mobile unit within your development area until the expiration or sooner termination of your Area Development Agreement. Although we grant you this limited protection right, we reserve all rights to sell our products and services under the Marks in the development area through alternative distribution channels, as discussed below. We will approve the Franchised Territory of each future Pearce Bespoke mobile unit to be opened under the Area Development Agreement based on our then-current territory criteria.

You may not advertise, market, solicit, sell, or service customers outside your Franchised Territory (“Non-Exclusive Customers”), unless you are solicited or have a prior verifiable relationship with the Non-Exclusive Customer. Even if you sell to a Non-Exclusive Customer, you must pay us or the incumbent franchise owner an encroachment fee of twenty percent (20%) of the Gross Sales attributed to the Non-Exclusive Customers sales outside of your Franchised Territory (“Encroachment Fee”).

You may not use alternative channels of distribution, including the internet, catalog sales, telemarketing, or other direct marketing methods to make sales inside or outside your Franchised Territory unless specifically authorized by Pearce Bespoke.

You need to achieve specified Gross Sales to retain the Franchised Territory (“Minimum Performance Standard(s)”). Following the execution of the Franchise Agreement, the Minimum Performance Standard is as follows:

<b>Minimum Performance Standards</b>	
<b>Period Following Original Opening Date</b>	<b>Minimum Gross Sales</b>
Year 1	\$50,000
Year 2	\$75,000
Year 3	\$100,000
Year 4+	10% increase over previous year minimum

You are required to make certain minimum weekly royalty payments to retain the Franchised Territory under the Franchise Agreement (“Minimum Royalty Payment(s)”). Following the execution of the Franchise Agreement, the Minimum Royalty Payment schedule is as follows:

<b>Minimum Weekly Royalty Payment</b>	
<b>Period Following Original Opening Date</b>	<b>Minimum Royalty Payment</b>
Year 1	\$100 per week
Year 2	\$150 per week
Year 3	\$200 per week
Year 4+	10% increase over previous year minimum

If you do not meet these minimum requirements, we have the right to reduce the size of your Franchised Territory or terminate your Franchise Agreement. There is no other market penetration or other contingency that will affect your right to operate in your Franchised Territory during the term of your Franchise Agreement, unless you are in default of your obligations to us.

Pearce Bespoke reserves the right to sell at all conventions, conferences, and other trade centers both domestically in the United States and internationally to market and sell its services solely or jointly with any of its franchisees. We reserve the rights to offer (i) other services and products not offered under the Marks, (ii) other quality custom clothing and accessories concepts or products under the Marks or other trademarks, and (iii) products or services through other channels of distribution in the Franchised Territory including, but not limited to, co-branding with other quality custom clothing and accessories businesses, and products offered through retail stores, the Internet or direct marketing. You will receive no

Provision	Section in Development Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 8	The dispute resolution provisions of the Franchise Agreement apply to any disputes under the Development Agreement (subject to applicable state law)
v. Choice of forum	Section 8	The choice of forum provision of the Franchise Agreement applies to the Development Agreement (subject to applicable state law)
w. Choice of law	Section 8	The choice of law provision of the Franchise Agreement applies to the Development Agreement (subject to applicable state law)

Applicable state law may require additional disclosures related to the information in this Disclosure Document. These additional disclosures appear in Exhibit I: State Specific Addenda to this Disclosure Document.

The provision in the franchise agreement, which provides for termination upon your bankruptcy, may not be enforceable under federal bankruptcy law (11 U.S.C., et seq.).

### ITEM 18 PUBLIC FIGURES

Pearce Bespoke currently does not use any public figure to promote its franchise, although Pearce Bespoke reserves the right to engage a public figure for endorsements in the future. No public figure is involved in the management or control of Pearce Bespoke.

### 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.

~~There are twenty-six (26) clothiers who operated from January through December 2024. We have excluded any clothiers who did not operate for the full twelve (12) months. We generally recommend that you have at least one clothier per Territory; however, there are some clothiers who operate in more than one Territory on behalf of the same Franchisee.~~

~~The basis for inclusion of this Financial Performance Representation is the affiliate owned and franchised outlets represented below are similar to the franchise being offered under this Disclosure Document in terms of operations and product offerings. There are no material financial or operational characteristics of the represented affiliate owned and franchised outlets that are reasonably anticipated to differ materially from future franchise outlet operations.~~

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

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

### ~~Statement of Income and Certain Expenses By Clothier~~

- ~~1. “Gross Sales” means all revenue from the sale of products and services and all other income of every kind related to the business, whether for cash, credit, trade, barter, or other value and regardless of collection in the case of credit and even if you have contracted with third parties to provide certain of the services, less any bona fide refunds given to customers in the ordinary course of business.~~
- ~~2. “Costs of Sales” includes the costs to purchase inventory and supplies used in the performance of sales and services to customers~~

~~Other than the preceding financial performance representation,~~ We do 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 our management by contacting Nathan Pearce, 107 Parr Drive, Huntersville, NC 28078; (205) 919-2949, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20  
OUTLETS AND FRANCHISEE INFORMATION**

**TABLE 1  
Systemwide Outlet  
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
<b>Franchised Outlets</b>	2022	0	1	+1
	2023	1	38	+37
	2024	38	49	+11
<b>Company-Owned Outlets</b>	2022	0	2	+2
	2023	2	2	0
	2024	2	2	0
<b>Total Outlets</b>	<b>2022</b>	<b>0</b>	<b>3</b>	<b>+3</b>
	<b>2023</b>	<b>3</b>	<b>40</b>	<b>+37</b>
	<b>2024</b>	<b>40</b>	<b>51</b>	<b>+11</b>

**TABLE 2  
Transfers of Outlets From Franchisee to New Owner  
(Other than Company-Owned Locations)  
For Years 2022 to 2024**

State	Year	Number of Transfers
None	2022	0
	2023	0
	2024	0
<b>TOTAL</b>	<b>2022</b>	<b>0</b>

# **EXHIBIT A**

## **FINANCIAL STATEMENTS**

**THESE FINANCIAL STATEMENTS ARE PREPARED  
WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR  
SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO  
CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE  
FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD  
TO THE CONTENT OR FORM.**

# Balance Sheet

Pearce Bespoke Franchising

As of July 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
<b>Assets</b>	
Current Assets	
Bank Accounts	
Business Adv Relationship - 2563 - 1	11,416.42
Business Adv Relationship - 7885 - 1	21,146.27
<b>Total for Bank Accounts</b>	<b>\$32,562.69</b>
Accounts Receivable	
Accounts Receivable	55,845.39
<b>Total for Accounts Receivable</b>	<b>\$55,845.39</b>
Other Current Assets	
Deferred Consulting Fee (Current)	79,960.00
Deferred Consulting Fee (Non-current)	621,724.00
Right -of-Use Asset - Operating Lease	19,860.00
Security Deposits	2,198.00
<b>Total for Other Current Assets</b>	<b>\$723,742.00</b>
<b>Total for Current Assets</b>	<b>\$812,150.08</b>
Fixed Assets	
Other Assets	
<b>Total for Assets</b>	<b>\$812,150.08</b>
<b>Liabilities and Equity</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	92,145.92
<b>Total for Accounts Payable</b>	<b>\$92,145.92</b>
Credit Cards	
Chase (8219) - 1	
CORP Account - Business Adv Unlimited Cash Rewards - 8244 - 1	31,872.95
Nancy (7417) - 1	
Nathan (5473) - 1	
Vikki (3617) - 1	

# Balance Sheet

## Pearce Bespoke Franchising

As of July 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
<b>Total for Credit Cards</b>	<b>\$31,872.95</b>
Other Current Liabilities	
Accrued Payroll and Payroll Taxes	23,621.00
Deferred Franchise Fee Revenue	139,500.00
Franchisee Payable	138,946.34
Line of Credit (Fundbox)	83.62
Loan from Shareholder	13,990.00
N/P SBFS (Rapid Finance)	3,509.56
N/P Stripe Loan	40,289.80
Operating Lease Liability - Current	
Unemployment Tax (State of Louisiana)	-135.63
<b>Total for Other Current Liabilities</b>	<b>\$359,804.69</b>
<b>Total for Current Liabilities</b>	<b>\$483,823.56</b>
Long-term Liabilities	
Deferred (Franchise Fees Revenue)	674,298.00
Operating Lease Liability -net	21,020.00
<b>Total for Long-term Liabilities</b>	<b>\$695,318.00</b>
<b>Total for Liabilities</b>	<b>\$1,179,141.56</b>
Equity	
Member's Equity (Deficiency)	7,880.00
Opening Balance Equity	-15,216.56
Partners Contribution	72,600.00
Retained Earnings	-502,101.05
Net Income	69,846.13
<b>Total for Equity</b>	<b>-\$366,991.48</b>
<b>Total for Liabilities and Equity</b>	<b>\$812,150.08</b>

# Profit and Loss

## Pearce Bespoke Franchising

January 1-July 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
<b>Income</b>	
Brand Fund	14,088.96
Corporate Sales	7,632.72
Equipment Package Sales	76,342.75
Franchise Fee	550,000.00
Royalties	70,441.81
Software Subscription Revenue	68,371.40
<b>Total for Income</b>	<b>\$786,877.64</b>
<b>Cost of Goods Sold</b>	
Cost of Goods	1,848.60
Equipment/Asset Package Inventory	93,806.90
Franchise Consultant	199,605.00
<b>Total for Cost of Goods Sold</b>	<b>\$295,260.50</b>
<b>Gross Profit</b>	<b>\$491,617.14</b>
<b>Expenses</b>	
Advertising	7,942.71
Alterations	154.50
Bank Charges	1,084.54
Contract Labor	19,855.79
Corp. Clothier Commission	2,793.25
Insurance	2,737.25
Interest Paid	8,364.26
IT Expenses	19,733.40
Legal & Accounting	13,712.00
License + Filing Fees	6,326.15
Meals & Entertainment	6,754.60
Memberships & Subscriptions	9,444.14
Merchant Services	22,212.73
Office Expense	2,534.71
Operating Expenses	2,590.18
Recruitment	1,035.80
Rent	15,232.60
Salaries & Wages	195,125.37
Shipping	6,752.25
Software Subscriptions	68,691.50
Travel	16,127.51
Utilities	3,716.34
<b>Total for Expenses</b>	<b>\$432,921.58</b>
<b>Net Operating Income</b>	<b>\$58,695.56</b>
<b>Other Income</b>	
Other Income	800.00

# Profit and Loss

Pearce Bespoke Franchising

January 1-July 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
Rebates	8,700.57
Training Fees Collected	1,650.00
<b>Total for Other Income</b>	<b>\$11,150.57</b>
Other Expenses	
<b>Net Other Income</b>	<b>\$11,150.57</b>
<b>Net Income</b>	<b>\$69,846.13</b>

**ADDENDUM TO THE PEARCE BESPOKE FRANCHISING LLC  
DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT REQUIRED BY THE  
STATE OF MINNESOTA**

The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the “Franchise Act”). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. In the State of Minnesota, we will defer the payment of the initial franchise fee, development fee, and any other initial payment until all of our material pre-opening obligations have been satisfied and our business is open and operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

2. Item 6, Non-Sufficient Funds Fee, is amended to state:

Pursuant to Minn. Stat. § 604.113, the Non-Sufficient Funds Fee is \$30.00 per occurrence.

3. Item 17 is amended to state:

(a) Minn. Stat. § 80C.21 and Minnesota Rules § 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in this Franchise Disclosure Document or agreement(s) shall abrogate or reduce (1) any of your rights as provided for in Minn. Stat. Chapter 80C or (2) your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

(b) In accordance with Minn. Stat. § 80C.14 subd. 3-5, except in certain specified cases, we will give you 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement. Additionally, we will not unreasonably withhold our consent to a transfer of your Board and Brush Creative Studio.

(c) In accordance with Minnesota Rules 2860.4400(D), we cannot require you to assent to a general release.

(d) In accordance with Minnesota Rules 2860.4400(J), we cannot require you to consent to liquidated damages.

(e) Minn. Stat. § 80C.17 subd. 5 requires that an action be commenced pursuant to the Franchise Act within three (3) years after the cause of action accrues.

(f) You cannot consent to us obtaining injunctive relief. We may seek injunctive relief. See Minnesota Rules 2860.4400(J),

(g) No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

FRANCHISOR:  
PEARCE BESPOKE FRANCHISING, LLC

By: \_\_\_\_\_

Name: Nathan Pearce

Title: Chief Executive Officer

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_, \_\_\_\_\_

(Print Name, Title)