

Special Risks to Consider About *This Franchise*

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Oklahoma. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Oklahoma 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 if 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. **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.
4. **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.
5. **Short Operating History.** The franchisor is at an early stage of development and has limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
6. **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 franchises or the franchisors. This change can be expensive and may reduce brand recognition of the products or services you offer.
7. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit D are our audited financial statements for 2022, 2023, and 2024. Additionally included are our unaudited financial statements from January 1, 2025, to May 31, 2025. We were established on September 14, ~~2022~~2022, and our fiscal year ends on December 31.

ITEM 22
CONTRACTS

Attached to this Disclosure Document or to the Exhibits attached to and comprising the Franchise Agreement attached to this Disclosure Document are copies of the following franchise and other contracts and agreements in use or proposed for use:

Exhibits to this Disclosure Document

Exhibit E Franchise Agreement
Exhibit H State Specific Addenda

Schedules and Exhibits to the Franchise Agreement

Schedule <u>1</u> Operating Territory Acknowledgment	Exhibit <u>1</u> Owner and Spouse Agreement and Guaranty
Schedule <u>2</u> Franchise Fee Acknowledgement	Exhibit <u>2</u> Confidentiality Agreement
Schedule <u>3</u> Statement of Franchisee's Owners	Exhibit <u>3</u> Assignment of Telephone Numbers and Digital Media Accounts
	Exhibit <u>4</u> ACH Authorization Form
	Exhibit <u>5</u> General Release

Individual state law may supersede the provisions contained in your Franchise Agreement respecting the requirement that you execute a general release as a condition to assignment, sale or transfer. See, the state specific addendums contained in Exhibit H of this Disclosure Document and the state specific addendums attached to the Franchise Agreement and forming a part of Exhibit E.

ITEM 23
RECEIPTS

Two copies of a detachable receipt in Exhibit J are located at the very end of this Disclosure Document. Please sign one copy of the receipt and return it to us at the following address: Ty McBride, Preservan Franchising, LLC, 115 E California Avenue, Suite 340, Oklahoma City, Oklahoma 73104. The duplicate is for your records.

[THE DISCLOSURE DOCUMENT ENDS HERE]

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.

Preservan Franchising

Balance Sheet As of May 31, 2025

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Bill.com Money In Clearing	0.00
Bill.com Money Out Clearing	0.00
PF Sov Brand 7714	185.28
PF Sovereign MM 7522	39,321.86
PF Sovereign Op 3913	19,803.34
PRESERVAN MONEY MARKET (3916) - 1	0.00
Total Bank Accounts	\$59,310.48
Accounts Receivable	
Accounts Receivable (A/R)	67,952.32
Total Accounts Receivable	\$67,952.32
Other Current Assets	
Certificate of Deposit	0.00
Due from Related Party	4,370.26
Other Receivable	-8,955.00
Payments to deposit	613.00
Prepaid Commission	36,045.00
Vendor Advances	6,793.41
Total Other Current Assets	\$38,866.67
Total Current Assets	\$166,129.47
Other Assets	
Operating Lease right-of-use assets	24,238.00
Prepaid Commission-net of current	271,780.00
Security deposits	2,350.00
Total Other Assets	\$298,368.00
TOTAL ASSETS	\$464,497.47
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	96,079.96
Total Accounts Payable	\$96,079.96
Credit Cards	
Divvy	0.00
PF CapOne 1944	3,887.05

Preservan Franchising

Balance Sheet As of May 31, 2025

	TOTAL
Total Credit Cards	\$3,887.05
Other Current Liabilities	
Deferred Revenue	66,754.00
Direct Deposit Payable	0.00
Franchisees Deposits	15,002.50
Operating Lease Liability	16,061.00
Other Payable	1,169.00
Payroll Liabilities	
Garnishment	156.05
Net Pay	5,427.48
Taxes	0.06
Total Payroll Liabilities	5,583.59
Short-term business loans	20,000.00
Total Other Current Liabilities	\$124,570.09
Total Current Liabilities	\$224,537.10
Long-Term Liabilities	
Deferred Revenue-net of current	546,626.00
Operating Lease Liability-net of current	9,637.00
Total Long-Term Liabilities	\$556,263.00
Total Liabilities	\$780,800.10
Equity	
Opening Balance Equity	0.00
Retained Earnings	-559,260.45
Shareholders' equity	
Contributions	372,530.20
Distributions	-82,344.96
Total Shareholders' equity	290,185.24
Net Income	-47,227.42
Total Equity	\$ -316,302.63
TOTAL LIABILITIES AND EQUITY	\$464,497.47

Preservan Franchising

Profit and Loss

January - May, 2025

	TOTAL
Income	\$527,442.23
Cost of Goods Sold	\$181,283.87
GROSS PROFIT	\$346,158.36
Expenses	
Advertising & Marketing	100,891.52
Business licenses	26.00
Continuing education	6,089.19
Employee benefits	10,467.07
Gifts	655.73
Guaranteed Payments to Partners	40,508.17
Insurance	934.23
Legal & accounting services	16,549.70
Meals	3,928.29
Office expenses	37,241.36
Payroll expenses	113,591.45
Professional Services	16,600.00
Rent	9,720.00
Repairs & maintenance	740.00
Supplies	322.56
Travel	8,293.03
Unapplied Cash Bill Payment Expense	-2,725.77
Uncategorized Expense	4,175.71
Uniforms	1,697.00
Utilities	4,290.73
Vehicle expenses	1,947.02
Total Expenses	\$375,942.99
NET OPERATING INCOME	\$ -29,784.63
Other Income	\$615.84
Other Expenses	\$267.89
NET OTHER INCOME	\$347.95
NET INCOME	\$ -29,436.68

or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

F. 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 in connection with the franchise.

G. The Minnesota Department of Commerce requires that the franchisor defer the collection of all initial fees from Minnesota franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business.

New York FDD Amendment
Amendments to the Preservan
Franchise Disclosure Document

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a

6. Under Article 16 of the Franchise Agreement, under the heading “Defaults and Automatic Termination After 30 Day Cure Period,” the subarticle 16.A.(4)(f), shall be supplemented by the addition of the following:

Subarticle 16.A.(4)(f) will not be enforced to the extent prohibited by applicable law.

7. Under both subarticles 16.A.(2) and 16.A.(4) of the Franchise Agreement, the following is added:

Minnesota law provides a franchisee with certain termination rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 90 days-notice of termination (with 60 days to cure) of this Agreement.

8. Article 18.F. of the Franchise Agreement, under the heading “Governing Law”, shall be amended by the addition of the following statement added to the end of the last sentence of Article 18.F.:

; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

9. Article 18.G. of the Franchise Agreement, under the heading “Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction”, shall be amended by the addition of the following statement added to the end of the last sentence of Article 18.G. of the Franchise Agreement:

; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

10. Article 18.K. of the Franchise Agreement, under the heading “Waiver of Jury Trial”, shall be supplemented by the addition of the following statement at the end of the sentence contained in Article 18.K. of the Franchise Agreement:

; except that nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by the Minnesota Franchise Act.

11. Article 18.I. of the Franchise Agreement, under the heading “Limitations of Claims,” shall be supplemented by the addition of the following statement:

Under the Minnesota Franchise Act, any claims between the parties must be commenced within three years of the occurrence of the facts giving rise to such claim, or such claim shall be barred.

12. Article 18 of the Franchise Agreement, under the heading “Enforcement and Construction,” shall be supplemented by the addition of the following new subarticle 18.Z. to the Franchise Agreement:

Any foregoing acknowledgments are not intended to nor shall they act as a release, estoppel or waiver or any liability under the Minnesota Franchise Act.

13. No statement, questionnaire or acknowledgment 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 in connection with the franchise.

14. The Minnesota Department of Commerce requires that the franchisor defer the collection of all initial fees from Minnesota franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business.

15. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act are met independently without reference to this amendment.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Minnesota State amendment to Preservan Franchising, LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor:

Preservan Franchising, LLC

Franchisee:

By: _____
Signature

Name and Title (please print)

Dated

Signature

Name (please print)

Dated