

PETER TAUNTON – CO-OWNER AND VP OF BUSINESS DEVELOPMENT

Peter has been the Co-Owner and VP of Business Development of Xtension Envy since May of 2024. Peter has been the CEO of Lift Brands, Inc. since 2003. Peter is also the Co-Founder of Nautical Bowls and was their President from September of 2020 until June of 2024.

ITEM 3. LITIGATION

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Kirin Hawley, et al v. Nautical Bowls Franchising, LLC, Peter Taunton, et al Fourth Judicial District, State of Minnesota (Case No. 27-CV-23-19306). On December 22, 2023, a former franchisee of Nautical Bowls sued the franchisor, Peter Taunton as its former CEO and other representatives of Nautical Bowls alleging violations of the Minnesota Franchise Law, the Minnesota Deceptive Trade Practices Act, the Texas Deceptive Trade Practices Act, claims of common law fraud and negligent misrepresentation in connection with the sale of her franchise, and promissory/equitable estoppel and breach of contract. Plaintiffs seek compensatory and exemplary damages and recovery of attorneys' fees. Defendant filed a Motion to Dismiss which was granted in part and denied in part on June 14, 2024. This case is in the pre-trial stage.

Cheryl Hatfield, et al v. Nautical Bowls Franchising, LLC, Peter Taunton, et al, Fourth Judicial District, State of Minnesota (Case No. 27-CV-19329). On December 22, 2023, a former franchisee of Nautical Bowls sued the franchisor, Peter Taunton as its former CEO, and other representatives of Nautical Bowls alleging violations of the Minnesota Franchise Law, the Minnesota Deceptive Trade Practices Act, the Texas Deceptive Trade Practices Act, claims of common law fraud and negligent misrepresentation in connection with the sale of her franchise, and promissory/equitable estoppel and breach of contract. Plaintiffs seek compensatory and exemplary damages and recovery of attorneys' fees. Defendant filed a Motion to Dismiss which was granted in part and denied in part on July 3, 2024. This case is in the pre-trial stage.

Bright Beacon, Inc. v. Nautical Bowls Franchising, LLC, Peter Taunton, et al. U.S. District Court for the Southern District of California, Case # 3:24-cv-00500-RBM-MMP. On December 27, 2023, a former franchisee of Nautical Bowls sued the franchisor, Peter Taunton as its former CEO, and other representatives of Nautical Bowls alleging violations of the California Franchise Investment Law, fraud, negligent misrepresentation, breach of contract, violation of the Unfair Competition Law, and violation of the Texas Deceptive Trade Practices Act, in connection with the sale of the franchise. Plaintiff seeks compensatory and exemplary damages and recovery of attorneys' fees. This case is pending a Motion to Dismiss filed by Defendant on March 27, 2024, which is still pending before the Court.

Except for these three actions, no litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5. INITIAL FEES

Initial Franchise Fee

The “Initial Franchise Fee” for a single Xtension Envy Salon is \$49,500. The Initial Franchise Fee is payment for the pre-opening assistance that we provide to you to allow you to open your Xtension Envy Salon and also offsets some of our franchisee recruitment expenses. The Initial Franchise Fee is uniform, payable when you sign your Franchise Agreement and is nonrefundable. We offer a \$5,000 discount off the Initial Franchise Fee for retired Veterans who were not dishonorably discharged and who sign a franchise agreement with us.