



**FRANCHISE DISCLOSURE DOCUMENT**  
**Casey Hawkins, Inc., an Oregon corporation**  
**623 Rossanley Drive**  
**Medford, OR 97501**  
**Telephone: (888) 262-2215**  
**Email: [applications@thehumanbean.com](mailto:applications@thehumanbean.com)**  
**[www.thehumanbean.com](http://www.thehumanbean.com)**

The franchise offered is to operate an espresso drive-thru branded THE HUMAN BEAN, specializing in the preparation and sale of espresso coffee and related products and services.

The total investment necessary to begin operation of this franchise ranges from ~~\$562,390~~572,090 to ~~\$1,290,931~~298,903. This includes ~~\$121,131~~,000 that must be paid to franchisor or an Affiliate. Area developers pay \$10,000 per location, applied to the initial franchise fees as units open in the area. Area developers must commit to opening at least two (2) or more units.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **No governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in electronic form or another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Casey Hawkins, Inc. at 623 Rossanley Drive, Medford, OR 97501 and (888) 262-2215.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, such as a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission (FTC). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

DATE OF ISSUANCE: ~~April 22, 2024 as amended July 8, 2024.~~March 5, 2025.

TABLE OF CONTENTS

<u>Item</u>	<u>Page</u>
<del>ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES .....</del>	<del>6</del>
<del>ITEM 2 BUSINESS EXPERIENCE .....</del>	<del>8</del>
<del>ITEM 3 LITIGATION .....</del>	<del>9</del>
<del>ITEM 4 BANKRUPTCY .....</del>	<del>9</del>
<del>ITEM 5 INITIAL FEES .....</del>	<del>10</del>
<del>ITEM 6 OTHER FEES .....</del>	<del>12</del>
<del>ITEM 7 ESTIMATED INITIAL INVESTMENT .....</del>	<del>14</del>
<del>ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES .....</del>	<del>18</del>
<del>ITEM 9 FRANCHISEE’S OBLIGATIONS .....</del>	<del>21</del>
<del>ITEM 10 FINANCING .....</del>	<del>24</del>
<del>ITEM 11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING .....</del>	<del>24</del>
<del>ITEM 12 TERRITORY .....</del>	<del>29</del>
<del>ITEM 13 TRADEMARKS .....</del>	<del>32</del>
<del>ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION .....</del>	<del>33</del>
<del>ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS .....</del>	<del>34</del>
<del>ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL .....</del>	<del>35</del>
<del>ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION .....</del>	<del>36</del>
<del>ITEM 18 PUBLIC FIGURES .....</del>	<del>41</del>
<del>ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS .....</del>	<del>41</del>
<del>ITEM 20 OUTLETS AND FRANCHISEE INFORMATION .....</del>	<del>46</del>
<del>ITEM 21 FINANCIAL STATEMENTS .....</del>	<del>65</del>
<del>ITEM 22 CONTRACTS .....</del>	<del>65</del>
<del>ITEM 23 RECEIPTS .....</del>	<del>65</del>
<u>ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES .....</u>	<u>7</u>
<u>ITEM 2 BUSINESS EXPERIENCE .....</u>	<u>9</u>
<u>ITEM 3 LITIGATION .....</u>	<u>10</u>
<u>ITEM 4 BANKRUPTCY .....</u>	<u>10</u>
<u>ITEM 5 INITIAL FEES .....</u>	<u>11</u>
<u>ITEM 6 OTHER FEES .....</u>	<u>13</u>
<u>ITEM 7 ESTIMATED INITIAL INVESTMENT .....</u>	<u>15</u>
<u>ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES .....</u>	<u>19</u>
<u>ITEM 9 FRANCHISEE’S OBLIGATIONS .....</u>	<u>23</u>
<u>ITEM 10 FINANCING .....</u>	<u>25</u>
<u>ITEM 11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING .....</u>	<u>25</u>
<u>ITEM 12 TERRITORY .....</u>	<u>31</u>
<u>ITEM 13 TRADEMARKS .....</u>	<u>33</u>
<u>ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION .....</u>	<u>35</u>

<b><u>ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS .....</u></b>	<b><u>36</u></b>
<b><u>ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL .....</u></b>	<b><u>36</u></b>
<b><u>ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....</u></b>	<b><u>37</u></b>
<b><u>ITEM 18 PUBLIC FIGURES.....</u></b>	<b><u>42</u></b>
<b><u>ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS .....</u></b>	<b><u>42</u></b>
<b><u>ITEM 20 OUTLETS AND FRANCHISEE INFORMATION .....</u></b>	<b><u>49</u></b>
<b><u>ITEM 21 FINANCIAL STATEMENTS.....</u></b>	<b><u>73</u></b>
<b><u>ITEM 22 CONTRACTS .....</u></b>	<b><u>74</u></b>
<b><u>ITEM 23 RECEIPTS.....</u></b>	<b><u>74</u></b>

Exhibits

Ex. A	State-Specific Riders to the Franchise Disclosure Document
Ex. B	Franchise Agreement, Lease Addendum, State-Specific Amendments, Guaranty Agreement, Electronic Funds Transfer Authorization, Manager’s Confidentiality Agreement, and Form of Release Agreement
Ex. C	Site Analysis Agreement
Ex. D	Operations Manual Table of Contents
Ex. E	Agents for Service of Process
Ex. F	State Administrators
Ex. G	Audit Reports & Supplemental Unaudited Financial Statements
Ex. H	Area Development Agreement & State-Specific Amendments
Ex. I	State Effective Dates
Ex. J	Receipts

**Item 1**  
**THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

To simplify the language in this Disclosure Document, “we,” “our,” “us” or “THB” means CASEY HAWKINS, INC, the franchisor. “You” or “franchisee” means the individual person, as well as any corporation, partnership, or other legal entity (including the owners of the legal entity) who buys a franchise. If, during the term of the franchise, you transfer ownership of the franchise to a corporation or other legal entity, we will require you and any other owners of the corporation or legal entity to continue to guarantee its obligations.

We are an Oregon corporation which was incorporated on February 4, 2002. We have affiliates but we have no parent company. Our principal business address is 623 Rossanley Drive, Medford, OR 97501, and our telephone number is (888) 262-2215. We conduct business under our corporate name, Casey Hawkins, Inc., and The Human Bean. We do not conduct business under any other name. A non-controlling interest in Casey Hawkins, Inc. is owned by Scott Anderson, its chief operating officer (see Item 2).

Our business includes the offer and sale of THB franchises. We do not and have never owned or operated any business similar to the franchised business, but our affiliates do (below). A THB franchise is a license to operate a THB outlet (referred to as the “drive-thru,” “unit,” “outlet,” “franchise,” or “store”) under the terms of the franchise agreement attached as Exhibit B to this Disclosure Document (the “Franchise Agreement”). Our agents for service of process in the various states where we do business are listed on Exhibit E to this Disclosure Document.

**Our Predecessors and Affiliates**

We have offered THB franchises since March 2002.

We have not offered franchises in any other line of business.

“Affiliate” of THB means a company owned and controlled by the majority owners of the franchisor. Our affiliates include six other companies: The Human Bean of Central Point, Inc., an Oregon corporation incorporated on October 2, 2000; The Human Bean of Ashland, Inc., an Oregon corporation incorporated on October 2, 2000; The Human Bean, Inc., an Oregon corporation incorporated on February 10, 2000 (THBI); The Human Bean North I, Inc. (THBN I), an Oregon corporation incorporated on November 14, 2016; The Human Bean North II, Inc., an Oregon corporation incorporated on November 14, 2016 (THBN II); ~~and~~ Bright Energy Drink, LLC, an Oregon limited liability company formed in July, 2023 (Bright, LLC); and Centerline Coffee Roasting, LLC, an Oregon limited liability company formed in September, 2023 (Centerline). A non-controlling interest in THBN I is owned by Kim Steenslid, its district manager.

Our affiliates’ first THB drive-thrus opened in southern Oregon in 1998. The Ashland location opened in June, 1998 and the original Central Point location opened in July, 1998. Before October 2, 2000 the Ashland location was owned and operated as a sole proprietorship.

The Human Bean of Ashland, Inc. owns and operates the Ashland location. The Human Bean of Central Point, Inc. owns and operates the original Central Point location, and a second Central

Point location that opened in August of 2003. Before October 2, 2000 the original Central Point location was owned and operated as a sole proprietorship.

THBI currently owns and operates four locations in Oregon: Stewart (opened May 2000), Barnett (opened April 2001), Biddle Road (opened February 2000) and Rossanley (opened February 2003). In 2012 THBI acquired three existing outlets in Grants Pass, Oregon from a franchisee (Curtis Drive, F Street and 6th Street) and in 2013 THBI sold these three outlets to another franchisee. A fifth location, Bear Creek, was opened by THBI in 2004, and closed in 2022 after the expiration of its premises lease.

THBN I currently owns and operates three locations in Oregon: Canby (opened June 2007), Cornelius (opened March 2008), and Beaverton (opened July 2008).

THBN II currently owns and operates two locations in Oregon: Newberg (opened April 2014), and Hillsboro (acquired from a franchisee in February, 2015).

Bright, LLC is our affiliate, the owner of the registered trademark BRIGHT for energy drinks, and the sole manufacturer/supplier of the BRIGHT-branded energy drinks sold in cans and blends at the THB outlets. Centerline is our affiliate and the owner of the stylized mark CENTERLINE for coffee roasting and roasted coffee beans.

The affiliated companies all have the same primary address as us. Other than the drive-thrus owned or operated by these related companies, we do not own or operate any THB drive-thrus.

Portland Coffee RoastersHoldings, LLC, an Oregon limited liability company formed in August, 2000, is a supplier and not an affiliate because the majority owners of THB have a non-controlling ownership interest in Portland Coffee RoastersHoldings, LLC. Portland Coffee RoastersHoldings, LLC is currently the only authorized supplier of coffee to our franchisees and affiliate-owned outlets. Before the end of 2025, Centerline will replace Portland Coffee Holdings, LLC as the only authorized supplier of coffee to our franchisees and affiliate-owned outlets. See Item 8 of this Disclosure Document for additional details.

None of the related companies has ever offered franchises. We and the related companies retain the right to open additional THB outlets (except within the exclusive area granted to you).

## **The Franchise**

We offer you a franchise that includes the right to operate a retail outlet under the trade name “The Human Bean” using the business format established by us and identified by our trademarks. Your THB outlet may be a freestanding or attached structure, but it must have at least one drive-thru lane. Your drive-thru must be located in an area which meets our site selection criteria and must be operated in accordance with our standards and specifications. As a franchisee, you must sign a Franchise Agreement (see Exhibit B). We may change the form and terms of the agreements used with other franchisees in the future.

If you qualify, you may also acquire the right and obligation to develop a number of THB outlets within a development area under our Area Development Agreement (Exhibit H). The exact number of THB outlets to be developed will be determined by you and us before the Area Development

Franchise Sales Director: Angela Beeks

Ms. Beeks joined in May 2021. From March 2003 to May of 2021, she worked for U.S. Bank in Medford Oregon, most recently as Multi-Site Manager (2015-2019) and Treasury Management Payment Consultant (2019- 2021).

Franchise Development Director: Justin Hawkins

Mr. Hawkins joined us in June of 2019 to work in the finance department and on franchise sales. From 2017 to 2019, Mr. Hawkins worked part-time for The Human Bean in its finance department. Prior to 2017 Mr. Hawkins was a full-time student and not employed.

Chief Marketing Officer: Janie Page

Ms. Page joined in March 2022. From April 2021 to February 2022, she was Vice President of Marketing & New Business at Indo-European Foods in Commerce, California. From January 2019 to March 2021, she was Senior Director of Marketing and New Business Development at Beck Flavors in Maryland Heights, Missouri. From December 2015 to December 2018, she was Director of Marketing at Farmer Brothers in Northlake, Texas.

Vice President, ~~Strategic Initiatives~~ Operations: Christine Dalrymple

Ms. Dalrymple joined in September 2022. From February 2021 to July 2022, she was Vice President of Customer Success and Value Management at Profit Velocity in Austin, Texas. From January 2019 to February 2021, she was Global Value Realization Leader at Sonoco Packaging Company in Hartsville, South Carolina. From April 2007 – January 2019, she held several positions including Director of Commercial Operations and Director of Strategic Accounts at Farmer Brothers in Northlake, Texas.

**Item 3**  
**LITIGATION**

There is no litigation required to be disclosed in this Item.

**Item 4**  
**BANKRUPTCY**

No bankruptcies are required to be disclosed in this Item.

**Item 5**  
**INITIAL FEES**

**A. Franchise Agreement**

TYPE OF FEE	AMOUNT	WHEN DUE
Initial Franchise Fee	<del>\$30</del> <u>35</u> ,000	Upon signing the Franchise Agreement
Transfer Fee	\$5,000	If applicable, upon approval, instead of the Initial Franchise Fee
Equipment	<del>\$85</del> <u>90</u> ,000	Upon placing orders before opening of your THB drive-thru
Initial Inventory	\$6,000	Upon placing orders before opening of your THB drive-thru
<b>Total Initial Fees:</b>	<del>\$121</del> <u>131</u> ,000	

**Initial Franchise Fee**

The Initial Franchise Fee is ~~\$30~~35,000. The Initial Franchise Fee of ~~\$30~~35,000 includes a non-refundable site analysis fee of \$5,000. When you have paid the Site Analysis Fee, signed the Site Analysis Agreement (Exhibit C), and submitted all the required information about the proposed site(s), we will evaluate up to ten proposed sites. You may not sign a franchise agreement with us until we have approved a site for your drive-thru (unless you are an Area Developer). If we do not approve any of your proposed sites within nine (9) months from your payment of the Site Analysis Fee, the Site Analysis Agreement will terminate and we will retain the Site Analysis Fee to cover our cost of analyzing the proposed sites. If you and we agree on a site, we will apply the Site Analysis Fee to the Initial Franchise Fee, and the remainder of ~~\$25~~30,000 will be due and payable in full, in a lump sum only, when you sign the Franchise Agreement. You must sign a Franchise Agreement within 90 days of gaining approval of your proposed sites, or you will forfeit your right to apply the Site Analysis Fee to the Initial Franchise Fee.

If within eighteen months after signing the Franchise Agreement you do not open the store for any reason, including your failure to satisfactorily complete the training program, or to lease, purchase or otherwise obtain an approved premises for your drive-thru, we will have the right to terminate the Franchise Agreement. If we terminate the Franchise Agreement because you did not open the drive-thru, we will retain \$15,000 of the Initial Franchise Fee and refund the remainder to you. See Section 2.2 of the Franchise Agreement. In this case, we will also retain the \$5,000 Site Analysis Fee. See Section 4 of the Site Analysis Agreement.

Your license to use our trademarks including “The Human Bean” does not become effective, and you may not open a THB drive-thru until we notify you that you have satisfied all of the pre-opening conditions set forth in the Franchise Agreement, and we approve the opening.

## Transfer and Training Fees

If you obtain your THB store by purchasing a franchise from one of our existing franchisees, then you or the existing franchisee, who is selling you the franchise, must pay us a transfer fee in the amount of \$5,000 (the “Transfer Fee”) instead of the Franchise Fee. The Transfer Fee is payable immediately upon approval of the transfer.

The transfer fee is fully refundable, if the transfer request is withdrawn before any action by us. Any proposed transfer of the franchise by you requires our prior approval. See Section 12.2 of the Franchise Agreement. If you become a developer, your development rights under the Area Development Agreement will not be transferable except in the event of a death or incapacity. See Section 9 of the Area Development Agreement for details.

Also, if you obtain a franchise from one of our existing franchisees, in our reasonable judgment, we may require you to receive training from us and pay a training fee in the amount of \$5,000 (the “Training Fee”) plus any associated costs of travel, room and board expenses. See Section 12.8 of the Franchise Agreement.

## Equipment

Certain kinds of equipment used at your drive-thru must be purchased before opening from or through us. See Item 8 for a detailed description of all the equipment. Your cost for equipment to be purchased from or through us is approximately ~~\$85~~90,000. The cost of the equipment is not refundable.

## Initial Inventory

Coffee beans and certain other supplies must be purchased from us or Portland Coffee ~~Roasters~~Holdings, LLC. Other inventory must be purchased from one of our designated suppliers. See Item 8 of this Disclosure Document for more details on required purchases. The total estimated cost for your initial inventory ranges from ~~\$23~~26,000 to ~~\$26~~28,000 (see Item 7), of which \$6,000 is payable to us or our affiliate. The cost of initial inventory is not refundable.

### **B. Area Development Agreement**

If you sign an Area Development Agreement, you will still pay the Initial Franchise Fee for each franchise outlet to be opened within the development area, but the payment will be distributed over time as follows. The Initial Franchise Fee of ~~\$30~~35,000 for the first THB outlet to be opened, plus \$10,000 for each additional THB outlet to be opened within the development area (the “Development Fee”) are payable at the time the Area Development Agreement is signed. The Site Analysis fee is waived for Area Developers, and Area Developers are not required to have a first site approved by us before signing the Franchise Agreement. The Development Fee is credited towards the future Initial Franchise Fee for each subsequent franchise outlet that is opened, with the balance of each additional Initial Franchise Fee (~~\$20~~25,000) due upon execution of the franchise agreement for each new outlet. Although the Initial Franchise Fee is refundable as stated above, the Development Fee is not refundable under any circumstances. Development Fees and Initial Franchise Fees are uniformly imposed.

**Item 7**  
**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

<u>Type of Expenditure</u>	<u>Amount (See note 910)</u>	<u>Method of Payment</u>	<u>When Due</u>	<u>To Whom Payment Is To Be Made</u>
Site Analysis Fee (non-refundable)	\$5,000 (See note 1)	Lump Sum	On signing of the Site Analysis Agreement (See note 1)	Us
Initial Franchise Fee	<del>\$30</del> 35,000 (See note 2)	Lump sum	On signing of the Franchise Agreement (See note 2)	Us
Optional Area Development Fee	<del>\$10,000</del> per additional location (See note 3)	Lump sum	On signing an Area Development Agreement	Us
Training Expenses	\$8,700- <del>\$24,348</del> 25,320	Lump sum (See note 4)	As incurred (See note 4)	Us, providers of travel and lodging services and your employees (See note 4)
Real Property (purchased or leased)	Lease payment \$4,500-\$15,000 (See note 5)	Lump sum	As negotiated with landlord	Landlord
Equipment fixtures, other fixed assets, construction, remodeling, leasehold improvements, and decorating costs, whether purchased or leased	<del>\$460</del> 467,000 - \$1,095,000 (See note 6)	Lump sum (See note 6)	As delivered or negotiated or required by supplier/builder (See note 6)	Us or approved supplier/builder (See note 6)
Inventory	<del>\$23,000-</del> \$26,000- \$28,000	As incurred (for opening)	As incurred	Us or approved suppliers (See note 7)

<u>Type of Expenditure</u>	<u>Amount (See note 910)</u>	<u>Method of Payment</u>	<u>When Due</u>	<u>To Whom Payment Is To Be Made</u>
POS & Delivery Integration Software	\$375-\$523	Monthly	From launch or opening	Approved suppliers (See Item 8)
Digital Menu Board Management System	\$15-\$60	Monthly	From launch or opening	Approved suppliers (See Item 8)
Security deposits, utility deposits, business licenses and other prepaid expenses	\$5,500-\$10,000	As incurred (See note 8)	As incurred; when premiums are due	See note 89
Working capital	\$5,000-\$20,000	As incurred	As incurred	Employees, till and cash reserves
Advertising and promotion	\$10,000-\$15,000	As incurred	<del>As incurred</del> See note 10	Advertising media vendors
Additional funds – (Initial 90 day period)	\$15,000-\$50,000	As incurred	See note 911	See note 9
Total Initial Investment (not including Area Development) <del>\$562,390</del> 572,090 to \$1,290,931 298,903				

#### ADA-Specific Fees

<u>Type of Expenditure</u>	<u>Amount</u>	<u>Method of Payment</u>	<u>When Due</u>	<u>To Whom Payment Is To Be Made</u>
<u>Optional Area Development Fee</u>	<u>\$10,000 per additional location (See note 3)</u>	<u>Lump sum</u>	<u>On signing an Area Development Agreement</u>	<u>Us</u>
<u>Balance of Franchise Fee for Outlets under an ADA</u>	<u>\$25,000 per additional location (See note 3)</u>	<u>Lump sum</u>	<u>Due upon signing a franchise agreement</u>	<u>Us</u>

Except where otherwise noted, all fees paid to us are nonrefundable.

Neither we nor our agents offer any financing arrangements, directly or indirectly, to you.

Notes:

- (1) Site Analysis Fee. See the state-specific riders for possible differences in your state. The Site Analysis Fee is nonrefundable. If we approve a site and you sign the Franchise Agreement with us, the Site Analysis Fee will be applied to the Initial Franchise Fee.
- (2) Initial Franchise Fee. See the state-specific riders for possible differences in your state. If your Franchise Agreement is terminated for your failure to open a drive-thru within eighteen months of signing, as described in Item 5 of this Disclosure Document, the Initial Franchise Fee is refundable with the exception of the \$15,000 nonrefundable deposit.
- (3) Optional Area Development Agreement and Fees. See the state-specific riders for possible differences in your state. Under our optional Area Development Agreement, Area Developers agree to open a minimum number of units in a designated territory, and to pay us in advance on signing the Area Development Agreement, to reserve that territory, \$10,000 for each such unit. The remaining balance of the Franchise Fee for each such unit (~~\$20~~25,000) becomes due on signing the Franchise Agreement for each such outlet. Except for the \$10,000 pre-payment of the Franchise Fee for THB outlets to be developed, and certain working capital funds you might need to perform under the Development Agreement, no additional initial investment is required to become an area developer beyond that required to become a single-unit franchisee.
- (4) Training Expenses. One hundred twenty hours of initial training for new franchisees is included in the Initial Franchise Fee (Transferees will pay the separate training fee of \$5,000 unless it is waived by THB due to the Transferee's experience). Any additional training, whether required by us or requested by you, will result in a charge to you of \$60 per hour. You must pay your own costs for travel to and from the training location, local transport and lodgings. The training expense estimates in the table above include approximately \$1,500 to \$3,500 for these travel and living expenses.

The training expense estimates in the table above also include \$8,700 to ~~\$24,348~~25,320 for employee training costs. This estimate is based on training for 15 employees trained for 10 days, 8 hours per day, at applicable minimum wage ranging from \$7.25 to ~~\$20.29~~21.10 per hour. You may have to pay employees at a higher rate, depending on your local labor market and possible state or local minimum wage laws, which are subject to change over time. Payment of wages will depend on the payroll period you establish.

- (5) Real Property Purchased or Leased. THB outlets are generally located upon leased or purchased property. The rental rate and other terms of your leases or purchases will vary, depending upon negotiations with your landlord or the property owners, and area land costs. This estimate does not include pre-payment of last month's rent or security deposit. We do not estimate your costs for purchasing the site for your THB outlet as opposed to leasing.

(6) Furniture, Fixtures, Equipment, Signage, Construction, and Remodeling.

The low-end estimate of \$460,000 for this category is for the conversion or improvement of an existing structure into a THB outlet. It includes approximately \$293,000 for remodeling and upgrades to the existing structure, site improvements, signage, furniture, and fixtures, all to be provided by either our approved suppliers or an approved local general contractor. Most sizes will range from 1,000 square feet to 2,500 square feet. Remodeling or improving larger structures will usually cost more.

For new construction the estimated range is from \$710,000 to \$1,095,000. This includes at least \$605,700 to \$988,700 for a new building, site improvements, awnings, signage, furniture, fixtures, equipment, etc., provided by our approved suppliers or an approved local general contractor. The new drive-through structure can be either site-built or pre-fabricated modular. Its width ranges from 14' to 16' feet and its length ranges from 40' to 50'. Costs will include building or building materials, site preparation, cut and fill, paving, landscaping, utilities, area lighting, trash enclosures, building permits and related costs, and engineering. These costs will vary depending upon your choice of building and several site-specific factors, including local costs for building materials and labor. If you choose a pre-fabricated modular building, you will also pay shipping costs that vary depending on your location.

Regardless of the building type, the estimate includes at least ~~\$112~~114,000 for equipment and small wares, of which ~~\$85~~90,000 is for equipment to be purchased from or through us.

This equipment estimate includes from \$5,100 to \$5,900 for point-of-sale (POS) hardware (screen/processor, cash drawers, printers, kitchen display screens, handhelds and QR code scanners) for the POS stations at the THB drive-thru, available from approved suppliers (see Item 8).

The low-end estimate in this category includes approximately \$15,500, and the high-end estimate includes approximately \$72,000, for signs. The amount required depends on the number, type and size of signs needed. The cost of menu boards will range from \$11,720 to \$20,404. The least expensive menu board option requires one (1) digital screen, and the most expensive option is for four (4) digital screens.

Most of the durable items in this category (including the structure, certain equipment and the signage) can be leased from third parties or financed, but THB does not itself provide any financing (see Item 10).

(7) Inventory. For more information on inventory see Item 8. Initial inventory costs between ~~\$23~~26,000 and ~~\$26~~28,000, depending on the size of your outlet. These costs are not refundable.

(8) POS & Digital Menu Board Management System. The monthly software fee is payable to our approved suppliers and ranges from \$355 to \$463 depending on configuration. Applicable credit card fees will apply, and Franchisees may pay an additional fee for support, to the approved suppliers (see Item 8). The required Content Management System

is provided by Creative Realities, Inc., with a cost of \$15 per screen per month (see Item 8).

(9) Security deposits, utility deposits, business licenses and other prepaid expenses.

These estimates include approximately \$3,000-\$5,000 for miscellaneous expenses, including utilities, security deposits, and license fees. Deposits for utility services are typically required when the service is applied for and may not be refundable. You must confirm all of the specific deposits required. The licensing and permit requirements for espresso drive-thru establishments vary by location. Licenses and permits may be required at the municipal, county, and state level. Types of licenses and permits include restaurant, business, occupational and food products. Some states have laws regarding who may secure certain types of licenses and you may need legal advice if you think you might be ineligible. You may also have to obtain health licenses and comply with health laws and regulations that apply to restaurant and food product sales establishments. You should make inquiries about the laws, regulations and permit or license requirements in the area of your drive-thru.

These estimates also include approximately \$2,500 - \$5,000 for insurance premiums during the first year of operations. See Item 8 for more information about the insurance requirements.

~~(10)~~ (10) Advertising and Promotion. The expenditure for local advertising is required in connection with the opening of your THB outlet, and recommended after the first three months of operations. See Section 8.6.1 of the Franchise Agreement.

(11) Additional funds are provided only as estimates and apply only to your initial three-months of operations. The estimate includes cash on hand at opening for use in operations. We believe that these figures provide an accurate minimum estimate of the additional funds necessary for the initial three-month phase of operations.

The figures in the table above are merely estimates and we cannot guarantee that your costs will be within the limits specified or that you will not have additional expenses starting the business. To compile these estimates, we relied on our experience with the existing drive-thrus described in Item 1 of this Disclosure Document. ~~You should review these figures carefully with a business advisor before making any decision to purchase a franchise from us.~~

Estimates do not include applicable sales taxes, if any, which may be applicable and which may be imposed upon you. The above estimated expenditures are for your initial investment over the first three months of operation and do not reflect ongoing expenditures.

## **Item 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

Because we do not charge a royalty, our primary source of revenue apart from franchise fees is the THB supply chain. In order to ensure both THB's quality standards and the integrity of the supply

chain, you must purchase certain goods or services from us or our approved suppliers, comply with our quality standards and make on-time payments to all suppliers. Our suppliers are listed in Table 1 below, showing in each case the goods or services provided, whether use of the supplier is currently required, and whether THB currently derives revenue from the purchases.

We are the only approved supplier of the required beverage production and food preparation equipment. Certain additional equipment including refrigerators, freezers, and ice makers meeting our specifications can be purchased from any source. We do not own any interest in any of the suppliers, except that our majority owners also own our supplier of energy drinks, Bright, LLC, and a non-controlling interest in our other supplier Portland Coffee ~~Roasters~~Holdings, LLC.

Before the end of 2025, Centerline Coffee Roasting, LLC is expected to replace Portland Coffee Holdings, LLC as the only authorized supplier of coffee to our franchisees and affiliate-owned outlets.

If goods or services are available from approved suppliers in the THB supply chain, then you must purchase those goods or services from the approved suppliers. However, if certain items or perishable food supplies are not available in your area from THB’s primary approved suppliers, you may purchase such items from an approved local supplier in your area. We will tell you who this supplier is based on the location of your outlet. If we have not approved a specific supplier in your area, you may propose a local supplier by providing us with a written request, and we will evaluate whether or not to approve such local supplier. Approval is based on factors such as the ability of the supplier to provide supplies in accordance with current specifications and standards within a given time frame, under a specific warranty and with a minimum level of delivery service. We retain the sole discretion in determining whether or not a local supplier is approved. We will notify you of our decision within thirty days of receiving your request. If you do not hear from us in that time, you can assume that the request has been denied. We will not charge you to evaluate your request for an alternate supplier, equipment, or products.

Table 1: List of Vendors and Suppliers

Vendor	Goods/Services Provided	Required	Revenue to THB
Product Vendors			
Portland Coffee <del>Roasters</del> Holdings	Coffee, espresso beans, coffee drink mixes	YES	YES
Sysco Corp.	Branded and unbranded food and non-food items, flavored syrups, canned energy drinks, smoothie mixes, non-coffee drinks and drink mixes, teas, toppings, sweeteners, cups, lids, drink supplies, straws, filters, plastic bags, carrying boxes/trays, paper products, napkins, toilet paper, paper towels, bags, cup sleeves, cleaning supplies, dog biscuits, etc.	YES	YES
Odeko	Same as Sysco	YES	YES
Seattle’s Favorite	Pastries	YES	YES
Technology & Service Providers			
Toast	Point of sale system (see note 1)	YES	NO
Incentivio	Mobile application and loyalty rewards program	YES	NO
Valutec	Gift cards	YES	NO
Chowly	Integration services for POS and digital ordering	YES	NO

\$2,000,000 aggregate. The insurance coverage must insure you and us from liability for any and all damage or injury. In addition to the comprehensive general commercial liability insurance, you also must purchase and maintain the following additional insurance coverage:

- Premises and Property, in amounts sufficient to cover loss or damage to the drive-through building, equipment and inventory, including loss or damage from crime, and spoilage from power failure with a deductible not greater than \$1,500;
- Employment Practices, in amounts sufficient to cover potential claims by or on behalf of your employees;
- Business Income, in amounts sufficient to cover expenses from unexpected closures of your store;
- Owned and non-owned Auto Liability Insurance with at least \$1,000,000 combined single limit; and
- Workers' Compensation, for job-related injuries, in amounts as required by state law.

The required products that we sell, or require you to buy from approved suppliers, provide income to us, either in the form of direct revenue or by means of a rebate or allowance paid to us by the approved supplier. For the fiscal year ending December 31, ~~2023~~2024, we received revenue of ~~\$8,497,451~~10,307,106 from the sale of goods or services that you are required to purchase from us or our approved suppliers, representing about 84.38% of our total sales of ~~\$10,081,392~~12,144,775. We receive revenue from (i) rebates from approved suppliers, including Portland Coffee ~~Roasters~~Holdings LLC (in which our directors hold an interest); (ii) margin on direct sales to franchisees, of between 3% and 40% of the cost of the goods; and (iii) sales to our affiliates listed in Item 1. Our affiliates do not derive revenue from your purchase of required goods or services.

We may negotiate purchase arrangements with suppliers (including price terms) for the benefit of franchisees. Also, in determining whether to revoke approval of a vendor, we will look to factors including, but not limited to, the price of the product(s) and the vendor's ability to distribute product(s) that meet our specifications and standards. However, with respect to all products and services for which our approval is required, we may approve, withhold approval, or revoke approval of a supplier in our sole discretion.

You are required to participate in any system-wide discount programs or promotions, and to accept physical or digital coupons and gift cards. Nothing in this requirement affects your ability to set the pre-discount prices for goods sold at your THB drive-thru. We do not provide any payments, rebates or other material benefits to franchisees based on their purchase or use of products or services that are approved but not required by us.

or delays in installing equipment or fixtures and signs. A typical length of time is twelve months, but the time period could be longer than fourteen months. If your drive-thru does not open within eighteen months of signing the Franchise Agreement, we may terminate the Franchise Agreement.

During the operation of your business, we will:

- (1) Sell you products for resale by you through your THB outlet. See Section 8 of the Franchise Agreement.
- (2) Provide assistance on or in advance of opening day. We will furnish to you, at our expense, one or more of our representatives to assist on or in advance of opening day in the training of employees and in establishing local procedures. See Section 10.4 of the Franchise Agreement. If you become an Area Developer, we provide assistance with the opening of THB outlets other than the first THB outlet only upon request. See Section 7.2 of the Area Development Agreement.
- (3) Offer additional optional assistance in the opening of each unit. If you desire this additional assistance, the fee will be \$600 per representative per day, plus travel and lodging expenses for our representative. See Section 10.5 of the Franchise Agreement.
- (4) Obtain and maintain online search directory listings for the Outlet as a member of The Human Bean family.
- (5) Furnish you operating assistance that we reasonably believe you require during the operation of your franchise. One of our representatives will make periodic inspections of your franchise. There is no definite schedule for these inspections. During these inspections, the representative will also render advice and assistance to you regarding the management and conduct of the franchise as specified in Section 11.1 of the Franchise Agreement.
- (6) Prepare advertisements. We may create advertising content ourselves, or through an advertising agency, with or without the assistance of the Brand Fund. Apart from the Brand Fund, we are not obligated to spend any particular amount on advertising and we have sole discretion regarding the location, type and media used for our advertisements. We will make advertising, marketing and promotional materials available to you for your local use. You are required to participate in all brand-wide promotional campaigns, unless designated as optional by us, and to use the brand-wide promotional campaign materials provided, without any changes to those materials. You may also develop advertising materials for your own use, at your own expense. You are ~~not~~ required to spend ~~any specified amount~~ at least ten thousand dollars (\$10,000) on local advertising in your area or territory, ~~but~~ during the first three (3) months before and the first three (3) months after the opening of the THB Outlet. Afterwards we recommend at least ~~32%~~ and up to 7% of gross sales revenue on local advertising, ~~and at least 5% for the first year of operations~~. You are responsible for ensuring that your proposed advertising materials are truthful and not misleading. Advertising materials developed by you may not be used unless approved by us in advance. You are required to submit proposed advertising materials to us at least thirty days before you intend to use them. We will evaluate the proposed advertising materials and respond within fifteen

Committee are elected by the franchisees to two-year terms. To be eligible, franchisee must be in good standing, meaning not currently in receipt of a default notice under the Franchise Agreement or in arrears with any vendor. The franchisees can vote to alter the criteria for membership and composition of the Franchisee Advisory Committee. THB has no right to appoint or alter the membership of the Committee, or to dissolve it. There is no requirement for franchisees to participate in any local or regional advertising cooperative.

Any unused amounts in the Brand Fund in any calendar year will be applied to the following year. THB may contribute or loan additional funds to the Brand Fund, on reasonable terms. In the most recent fiscal year, ~~2023~~2024, the Brand Fund started with \$~~406,129~~108,626 from the prior year surplus, took in \$~~1,182,973~~29,471 and spent \$~~1,480,476~~310,177, ending the year ~~2023~~2024 with a surplus of \$~~108,626~~96,823. The surplus of \$~~108,626~~96,823 carried forward to the ~~2024~~2025 fiscal year. The Brand Fund was spent as follows: ~~3~~10% on communication; ~~42~~30% on digital advertising and online marketing, reviews, listings, and social content management; ~~3~~1% on innovation; ~~38~~41% on promotions, campaigns, printed ad materials, and strategy; and ~~14~~18% on administrative fees.

Although not obligated to do so under this Disclosure Document, the Franchise Agreement or any other agreement, at our discretion we may, during the operation of your business: (a) conduct research and development in the area of production and methods of operation, (b) make the results of this research available to you, (c) provide recruitment assistance, (d) provide suggested retail prices, or (e) establish and use administrative, bookkeeping, accounting and inventory control procedures. We may keep you informed of our plans, policies, research developments and similar activities by means of bulletins, brochures or visits by our representatives.

## **Item 12** **TERRITORY**




During the term of the Franchise Agreement, you will be granted an exclusive territory within a 1 mile radius of the location of your drive-thru. The location must be a site approved by us, as described in Item 11 above. You do not acquire any option or right of first refusal to additional locations in your territory or contiguous territories. You may not relocate your drive-thru within your territory without our prior written consent, but we may consent to relocation based on our approval of the information provided on the site analysis form, which you must submit to us. There are no restrictions on your soliciting or accepting orders from outside your territory. There are no restrictions on your advertising outside of your territory, except that you may only use advertising materials that have been approved by us. We or another franchisee may solicit, advertise, or accept orders from within your territory without any obligation to compensate you. You may sell the authorized products only at the THB outlet. You may not make sales outside of your territory using other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing.


Within your territory, we will not operate a company-owned outlet or grant a franchise for the operation of a competing business during the term of your Franchise Agreement. However, we may sell THB-branded products or merchandise by mail order, Internet web site, or other networked means, including sales to persons physically located within your territory. Continuation of your territorial exclusivity does not depend on the achievement of a particular volume of sales,

We and our affiliates do not operate or franchise, and have no present plans to operate or franchise, businesses that compete with the THB Outlets under a different trademark.

**Item 13**  
**TRADEMARKS**

Under the Franchise Agreement, we will grant you the right to use the following trade and service marks (collectively, the “THB Marks”), which are registered with the United States Patent and Trademark Office (the “USPTO”):

<b>Trademark or Service Mark</b>	<b>USPTO Registration Number</b>	<b>Status of Registration</b>
THE HUMAN BEAN	Reg. No. 2,493,213	Registered on the Principal Register 9/25/2001 and assigned to us on 11/6/2002. This mark was renewed by filing the required affidavits in September, 2007, October, 2010 and July, 2021.
THE HUMAN BEAN ESPRESSO COFFEE ETC.	Reg. No. 2,760,822	Registered on the Principal Register 9/9/2003. This mark was renewed by filing the required affidavits in September, 2008, January, 2013, and September, 2023.
H2B	Reg. No. 3,264,873	Registered on the Principal Register 7/17/2007. This mark was renewed by filing the required affidavits in January, 2013 and July, 2018.
	Reg. No. 5,545,858	Registered on the Principal Register 08/21/2018. This mark was renewed by filing the required affidavit in January, 2024.
	Reg. No. 5,545,866	Registered on the Principal Register 08/21/2018. This mark was renewed by filing the required affidavit in January, 2024.
	<u>Reg. No. 7,528,285</u>	<u>Registered on the Principal Register 10/8/2024. This Mark is not yet eligible for renewal.</u>

Trademark or Service Mark	USPTO Registration Number	Status of Registration
	<u>Reg. No. 7,528,292</u>	<u>Registered on the Principal Register 10/8/2024. This Mark is not yet eligible for renewal.</u>
<u>POOLSIDE</u>	<u>Reg. No. 7,530,715</u>	<u>Registered on the Principal Register 10/8/2024. This Mark is not yet eligible for renewal.</u>

We maintain in the Operations Manual a list of the trademarks, service marks and other designations that you are licensed to use. In our sole discretion, we may supplement your license by adding new marks to the list in the Operations Manual. If it becomes advisable at any time, in our sole discretion, to modify or discontinue use of any name or mark and/or use of one or more additional or substitute marks as trade or service marks, you must discontinue use of that mark when instructed by us. The Franchise Agreement does not give you a right to compensation for costs imposed by any such potential discontinuation of one or more of the THB Marks.

There are no agreements currently in effect that significantly limit our rights to use or license the use of the THB Marks, or other trademarks, service marks, trade names, logo types or other commercial symbols significant to the franchise.

There is presently no opposition or cancellation proceeding or any pending litigation involving the THB Marks nor any presently effective determinations by the USPTO, the Trademark Trial and Appeal Board or the Trademark Administrator of any state or any court regarding the THB Marks.

We are not obligated by the Franchise Agreement or otherwise to protect any rights that you have to use the trademarks and service marks. If you are made a party to an administrative or judicial proceeding involving one of the THB Marks, or if the proceeding is resolved unfavorably to you, we are not required to participate in your defense and/or indemnify you for expenses or damages. You must notify us if you become aware of anyone using or claiming rights in a trademark that is confusingly similar to any of the THB Marks. We are not required to take affirmative action when notified of such claims, however we will, in our sole discretion, take all steps necessary to protect the trademarks and service marks and any future marks registered by us. We have the right to control all administrative proceedings and litigation involving the THB Marks.

You must follow our rules when you use the THB Marks. You may not use the words “Human Bean,” or “The Human Bean” in your business entity name. You may use the online space provided for franchisee web content on our site, but otherwise you may not use an online domain name that includes the words “Human Bean” or “The Human Bean”.

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.

Table 1 provides historical financial performance data based on the unaudited financial statements of ~~twelve (12)~~ eleven (11) affiliate-owned stores for the 12-month period ending December 31, ~~2023~~. ~~Net income~~ 2024. One (1) affiliate-owned store was closed for renovations for more than forty (40) days in the 12-month period ending December 31, 2024, and this location is not included. EBIDTA means earnings before interest, taxes, depreciation, and amortization. Thus, EBITDA means net sales (gross sales less promotional discounts, as on Table 1), less expenses and other than interest, taxes, depreciation, and amortization, and less cost of goods (as on Table 1). Table 2 provides historical financial performance data based on the sales of one hundred ~~twenty-four (124)~~ forty (140) franchised stores for the 12-month period ending December 31, ~~2023~~ 2024. Table 3 provides adjusted ~~average net income~~ EBITDA for franchised units, based on our estimate of the cost differentials between affiliate-owned and franchised stores.

~~During the fiscal year ending December 31, 2023, a total of 136 outlets were in operation. Of those, 12 were affiliate-owned outlets and 124 were franchised outlets.~~

A total of one hundred fifty-two (152) outlets were in operation throughout the fiscal year ending December 31, 2024. Of those, eleven (11) were affiliate-owned outlets and one hundred forty-one (141) were franchised outlets. Item 19 does not include data from the 22 franchised locations that opened after the start of the 2024 fiscal year. One of the three franchised locations that was transferred in 2024 is not included in this Item 19 because the location was closed for about four months before opening under new ownership. One (1) franchised outlet that operated throughout the 12-month period ending December 31, 2024 differs in kind from all the others, by not having a drive thru, and is not included. Figures from the two (2) franchised locations that closed in 2024 are also not included in this Item 19. For details of these closures, see the end of Item 20.

We present ~~total costs and average net profits~~ EBITDA exclusive of owner income and owner expenses, ~~meaning such as~~ owner travel expenses and/or owner use of a company car. We do not treat these as expenses a franchisee should expect to incur for purposes of this Item 19. Expenses for bookkeeping, payroll and accounting are likewise excluded. Our affiliate locations retain part-time district managers to manage their operations, but as a franchisee you should not expect to employ a district manager, so this expense is excluded. As our franchisee, you will choose how you treat owner expenses (if any) and how to account for and pay any tax on owner income from your outlet.

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

ITEM 19 TABLE 1 AFFILIATE FINANCIAL PERFORMANCE

	2023 2024 Average	2023 2024 Median	2023 2024 Average as % of total sales
Sales <u>100.0%</u>	\$940,510.15 896,744.18	\$922,482.94 883,106.05	100.0%
Loyalty & Promotional Discounts	\$(83,661.36) -50,073.10	\$(80,031.74) -49,792.45	-8.9 -5.6%
Net sales	\$856,848.79 846,671.08	\$837,268.82 833,313.60	91.1 94.4%
Cost of goods sold	\$310,652.17 286,426.37	\$310,539.83 283,720.08	33 31.9%
Gross Profit	\$546,196.62 560,244.71	\$526,728.99 549,593.52	58.1 62.5%
Advertising	\$6,782.44 826.62	\$4,636.41 6,242.46	0.7 8%
Amortization expense	-\$25.50	-\$306.05	0.0%
Automobile expense	-\$	-\$	0.0%
Bank service charges	\$21,954.78 15,277.88	\$21,176.00 13,954.36	2.3 1.7%
Brand fund expense	\$8,517.44 65.55	\$8,323.58 7,258.71	0.9 8%
Computer expense	\$5,646.69 4,585.12	\$5,561.34 4,440.10	0.6 5%
Contributions	\$4,574.52 807.16	\$4,595.77 5,306.90	0.5%
Depreciation expense	\$15,631.84	\$15,168.73	1.7%
Dues and subscriptions	\$160.83 290.91	-\$445 675.00	0.0%
Employee benefits	\$588.18 610.36	\$411.41 740.07	0.1%
Insurance	\$4,295.37 2,569.17	\$4,136.15 3,151.93	0.5 3%
Interest expense	\$2,279.24	\$3,708.83	0.2%
Landscape maintenance	\$2,242.58 3,229.53	\$2,536.50 3,379.34	0.2 4%
Linens	\$5,333.93 2,960.75	\$5,564.49 2,876.39	0.6 3%
Licenses and permits	-\$1,018.67 944.55	\$1,055 914.00	0.1%
Maintenance	\$18,242.17 22,173.60	\$16,935.56 21,872.14	1.9 2.5%
Office & operating supplies	\$9,935.50 11,148.20	\$10,004.94 124.69	1.1 2%
Operating supplies	\$809.98	\$182.45	0.1%
Payroll expenses	\$247,649.32 265,548.45	\$256,636.95 268,321.44	26.3 29.6%
Payroll taxes	\$23,707.03 26,483.68	\$22,499.07 26,598.76	2.5 3.0%
Postage and delivery	\$97.79 112.68	\$190.27 85.20	0.0%
Printing and reproduction	-\$204.73 124.32	\$138.41 146.42	0.0%
Professional fees	\$2,466.55 3,495.99	\$2,391.73 3,090.91	0.3 4%
Rent	\$35,397.95 37,672.96	\$38,003.16 40,257.08	3.8 4.2%
Repairs	\$115.19 229.15	\$375 405.00	0.0%
Security	\$356.84 398.95	\$417 427.88	0.0%
Taxes—personal property	\$794.40	682.96	0.1%
Taxes—real property Property taxes	\$4,289.99 6,694.55	\$4,178.00 5,584.18	0.5 7%
Telephone	\$2,124.88 3,017.57	\$2,013.11 407.75	0.2 3%
Travel and entertainment	\$198.91 476.50	\$218.06 535.14	0.0 1%

Utilities	<del>\$18,141.20</del> 20,127.60	<del>\$18,403.74</del> 21,035.76	<del>+92.2%</del>
Total expenses	<del>\$443,584.55</del> 447,252.80	<del>\$447,135.76</del> 449,831.61	<del>47.249.9%</del>
Expenses + cost of goods	<del>\$754,236.72</del> 733,679.17	<del>\$743,394.25</del> 733,551.69	<del>80.281.8%</del>
EBITDA	112,991.91	99,761.91	12.6%
Net Income	\$102,612.07	\$102,222.71	10.9%

ITEM 19 TABLE 2 FRANCHISEE SALES PERFORMANCE

	<del>2023</del> 2024 Average	<del>2023</del> 2024 Median
Franchisee Sales	<del>-\$876,244.00</del> \$847,647.54	<del>\$837,097.00</del> 799,586.24
Systemwide Sales	<del>\$881,875.00</del> 851,249.92	<del>\$842,115.00</del> 796,794.47

ITEM 19 TABLE 3 FRANCHISEE ADJUSTED NET INCOME & COST DIFFERENTIAL

	<del>2023</del> 2024 Franchisee Adjusted**	<del>2023</del> 2024 Affiliate Average
<del>Net Income</del> EBITDA	<del>-\$84,597.19</del> \$94,115.10	<del>\$102,612.07</del> 112,991.91
Total Cost of Goods Differential as % of Average Sales	1.922.10%	0.0%
Coffee & Other Products/Supplies Differential	\$16,358.27617.94	\$0
Shipping Differential	\$1,656.622,258.87	\$0
Total Cost of Goods Differential	\$18,014.88876.81	\$0

\*\*The figure in Table 3 for the franchisees' ~~Adjusted Net Income~~EBITDA is our estimate based on the ~~average net income~~EBITDA for the affiliate-owned stores, less the estimated average cost differential for franchisees. The second column of Table 3 shows the estimated cost differential for franchisees by category. The cost differential is based on three factors: coffee products, non-coffee products/supplies, and shipping costs. Franchisees currently pay approximately 30% more than affiliates for coffee products, and approximately 20% of the franchisee's total cost of goods will be for coffee products. This price differential may be increased in the future up to 35%. Most franchisees pay the same price for non-coffee products/supplies as the affiliate-owned stores, but in certain regions there is a differential, and we averaged the differential across all the franchised outlets. Franchisees receive free shipping for coffee products on orders over the minimum size, so we did not calculate any differential for shipping costs on coffee products. A few other supplies, namely branded coffee mugs, apparel and temporary point-of-sale marketing materials, are sold by THB to the affiliate-owned stores for less than the price paid by the franchisees. The effect of this fourth differential on the Adjusted ~~Net Income~~EBITDA figure was insubstantial.

The historical performance data disclosed in this Item 19 does not include historical data on the average or median costs of franchised locations, only historical data on their average or median total sales. The payroll expense figures in Table 1 include an hourly rate ~~and bonus~~ for a manager. You or your manager should expect to work full-time in areas such as general administration, bill paying, staffing, scheduling, general errands, and supply pick-up and

delivery. If you do not delegate these functions to a manager, your payroll expenses will be lowered by the amount of that manager's wages and bonus, payroll taxes on those wages, and any other employee-related expenses. Each of the 12 affiliate-owned outlets employed a manager other than the owners.

The ~~twelve~~eleven affiliate-owned THB drive-thru locations used for Table 1 were in operation for the entire 12-month period ending December 31, ~~2023-~~2024. Among the ~~twelve~~eleven affiliate-owned THB drive-thru locations, the most successful store had total sales of ~~\$1,276,167~~212,214 and ~~net income~~EBITDA (excluding owner income and owner expenses) of ~~\$244,369-~~223,888. The least successful store had total sales of ~~\$628,789~~607,376 and ~~net income~~EBITDA (excluding owner income and owner expenses) of ~~\$16,596-~~23,787. The criterion for most and least successful affiliate-owned store is ~~net income (loss)~~positive or negative EBITDA, exclusive of owner income and expenses, not total sales. Total sales means gross sales, before promotional discounts and loyalty rewards (as shown on ~~the table~~Table 1).

All of the ~~twelve~~eleven affiliate-owned stores had positive ~~net income~~EBITDA (excluding owner income and owner expenses) during the 12-month period ending December 31, ~~2023-~~2024. Five of the ~~twelve~~eleven stores, ~~42~~or 45%, had cost of goods higher than the average figure, and the other ~~seven,~~58~~six,~~or 55%, had cost of goods lower than the average. ~~Six~~Five of the ~~twelve~~eleven stores, ~~50~~or 45%, had total sales higher than the average, and the other six stores, ~~50~~or 55%, had total sales lower than the average. ~~Six~~Seven of the stores, ~~50~~or 64%, had total expenses higher than the average, and the other ~~six~~four stores, ~~50~~or 36%, had total expenses lower than the average (excluding owner income and owner expenses). ~~Six~~Four of the stores, ~~50~~or 36%, had ~~net income~~EBITDA (excluding owner income and owner expenses) higher than the average, and the other ~~six,~~50~~seven,~~or 64%, had lower ~~net income~~than average EBITDA (excluding owner income and owner expenses).

The one hundred ~~twenty-four~~forty franchised THB drive-thru locations used for Table 2 were those in operation for the entire 12-month period ending December 31, ~~2023-~~Among 2024. Item 19 does not include data from the 22 franchised locations that opened after the start of the 2024 fiscal year. Figures from the 2 franchised locations that closed in 2024 are also not included in Item 19. For details of these 124 closures, see the end of Item 20. A total of 152 outlets were in operation throughout the fiscal year ending December 31, 2024. Of those, 11 were affiliate-owned outlets and 141 were franchised outlets.

One hundred and forty-one (141) franchised THB drive-thru locations were in operation for the entire 12-month period ending December 31, 2024, but one franchised location that has a non-standard layout, without a drive-thru window, was not included in Table 2. Among the 140 franchised THB drive-thru locations in Table 2, the most successful store had total sales of \$1,667,842~~850,977.38~~. The least successful store had total sales of ~~\$425,956~~\$377,643.20. The criterion for most and least successful franchised stores is total sales. ~~43%~~Fifty-four (54), or 53~~39%~~39% of the ~~124~~140 franchised stores had total sales higher than the average, and the other ~~57%, or 71~~eighty-six (86) stores, or 61%, had total sales lower than the average. Written substantiation for this financial performance representation is available on reasonable request.

Other than the preceding financial performance representation, THB 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 THB's management by contacting Dan Hawkins or Tom Casey at 623 Rossanley Dr., Medford OR 97501, (888) 262-2215, the Federal Trade Commission, and the appropriate state regulatory agencies.

**Item 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

Our fiscal year ends December 31.

Table 1: Systemwide Outlet Summary ~~2021~~2022 to ~~2023~~2024

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised				
	<del>2021</del> 2022	<del>100</del> 116	<del>116</del> 133	<del>16</del> <u>17</u>
	<del>2022</del> 2023	<del>116</del> 133	<del>133</del> 146	<del>17</del> 13
	<del>2023</del> 2024	<del>133</del> 146	<del>146</del> 165	<del>13</del> 19
Company-Owned*				
	<del>2021</del> 2022	13	<del>13</del> 12	<del>0</del> 1
	<del>2022</del> 2023	<del>13</del> 12	12	<del>1</del> 0
	<del>2023</del> 2024	12	12	0
Total Outlets				
	<del>2021</del> 2022	<del>113</del> 129	<del>129</del> 145	16
	<del>2022</del> 2023	<del>129</del> 145	<del>145</del> 158	<del>16</del> 13
	<del>2023</del> 2024	<del>145</del> 158	<del>158</del> 177	<del>13</del> 19

\* Includes affiliate-owned outlets

Table 2: Transfers of Outlets  
Franchisees to New Owners (other than Franchisor) ~~2021~~2022 to ~~2023~~2024

State	Year	Number of Transfers
Arizona		
	<del>2021</del>	<del>0</del>
	2022	0
	2023	2
	<u>2024</u>	<u>0</u>
California		
	<del>2021</del>	<del>0</del>
	2022	1
	2023	8
	<u>2024</u>	<u>0</u>
Colorado		
	<del>2021</del>	<del>0</del>
	2022	0
	2023	1
<del>Oregon</del>	<u>2024</u>	<u>0</u>
<u>Nevada</u>		-
	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>0</u>
	<del>2021</del> <u>2024</u>	2
<u>Texas</u>		
	2022	0
	2023	0
	<u>2024</u>	<u>1</u>
Washington		
	<del>2021</del> <u>2022</u>	0
	<del>2022</del> <u>2023</u>	<del>0</del> <u>3</u>
	<del>2023</del> <u>2024</u>	<del>3</del> <u>0</u>
Total		
	<del>2021</del> <u>2022</u>	<del>2</del> <u>1</u>
	<del>2022</del> <u>2023</u>	<del>1</del> <u>14</u>
	<del>2023</del> <u>2024</u>	<del>14</del> <u>3</u>

Table 3: Status of Franchised Outlets ~~2021~~2022 to ~~2023~~2024

	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Outlets Re-acquired	Ceased Operations for Other Reasons	Outlets at End of Year
Arizona	<del>2021</del> 202	<del>15</del> 16	<del>4</del> 0	0	0	0	<del>0</del> 2	<del>46</del> 14
	<del>2022</del> 202	<del>16</del> 14	<del>0</del> 2	0	0	0	<del>2</del> 0	<del>44</del> 16
	<del>2023</del> 20	<del>14</del> 16	2	0	0	0	0	<del>46</del> 18
California	<del>2021</del> 202	<del>9</del> 12	3	0	0	0	0	<del>12</del> 15
	<del>2022</del> 202	<del>12</del> 15	<del>3</del> 0	0	0	0	0	15
	<del>2023</del> 20	15	0	0	0	0	0	15
Colorado	<del>2021</del> 202	<del>11</del> 12	<del>1</del> 2	0	0	0	0	<del>12</del> 14
	<del>2022</del> 202	<del>12</del> 14	2	0	0	0	<del>0</del> 1	<del>14</del> 15
	<del>2023</del> 20	<del>14</del> 15	<del>2</del> 0	0	0	0	<del>1</del> 0	15
Florida	<del>2021</del> 202	0	<del>0</del> 1	0	0	0	0	<del>0</del> 1
	<del>2022</del> 202	<del>0</del> 1	<del>1</del> 0	0	0	0	<del>0</del> 1	<del>1</del> 0
	<del>2023</del> 20	<del>1</del> 0	<del>0</del> 1	0	0	0	<del>1</del> 0	<del>0</del> 1
Georgia	<del>2021</del> 202	<del>0</del> 1	1	0	0	0	0	<del>1</del> 2
	<del>2022</del> 202	<del>1</del> 2	<del>1</del> 2	0	0	0	0	<del>2</del> 4
	<del>2023</del> 20	<del>2</del> 4	<del>2</del> 4	0	0	0	0	<del>4</del> 8
Idaho	<del>2021</del> 202	<del>14</del> 15	<del>1</del> 0	0	0	0	0	15
	<del>2022</del> 202	<del>15</del> 16	<del>0</del> 1	0	0	0	0	<del>15</del> 16
	<del>2023</del> 20	<del>15</del> 16	<del>1</del> 0	0	0	0	0	16
Illinois	<del>2021</del> 202	0	<del>0</del> 1	0	0	0	0	<del>0</del> 1
	<del>2022</del> 202	<del>0</del> 1	<del>1</del> 0	0	0	0	0	1
	<del>2023</del> 20	1	0	0	0	0	0	1
Indiana	<del>2021</del> 202	<del>0</del> 1	<del>1</del> 0	0	0	0	0	1
	<del>2022</del> 202	1	0	0	0	0	0	1
	<del>2023</del> 20	1	0	0	0	0	0	1
Kentucky	<del>2021</del> 202	1	0	0	0	0	0	1
	<del>2022</del> 202	1	<del>0</del> 1	0	0	0	0	<del>1</del> 2
	<del>2023</del> 20	<del>1</del> 2	1	0	0	0	0	<del>2</del> 3
Maryland	<del>2021</del> 202	0	0	0	0	0	0	0
	<del>2022</del> 202	0	<del>0</del> 1	0	0	0	0	<del>0</del> 1
	<del>2023</del> 20	<del>0</del> 1	<del>1</del> 0	0	0	0	0	1
Missouri	<del>2021</del> 202	1	0	0	0	0	0	1
	<del>2022</del> 202	1	0	0	0	0	0	1
	<del>2023</del> 20	1	<del>0</del> 1	0	0	0	0	<del>1</del> 2
Nevada	<del>2021</del> 202	8	0	0	0	0	0	8
	<del>2022</del> 202	8	<del>0</del> 2	0	0	0	0	<del>8</del> 10
	<del>2023</del> 20	<del>8</del> 10	1	0	0	0	0	<del>9</del> 11

	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Outlets Re-acquired	Ceased Operations for Other Reasons	Outlets at End of Year
New Jersey	<del>2021</del> 202	0	0	0	0	0	0	0
	<del>2022</del> 202	0	<del>0</del> 1	0	0	0	0	<del>0</del> 1
	<del>2023</del> 20	<del>0</del> 1	1	0	0	0	0	<del>1</del> 2
New Mexico		0	<del>0</del> 1	0	0	0	0	<del>0</del> 1
		<del>0</del> 1	1	0	0	0	0	<del>1</del> 2
	<del>2023</del>	<del>1</del> 2	<del>1</del> 2	0	0	0	0	<del>2</del> 4
North Carolina	<del>2021</del> 202	<del>1</del> 2	<del>1</del> 2	0	0	0	0	<del>2</del> 4
	<del>2022</del> 202	<del>2</del> 4	<del>2</del> 0	0	0	0	<del>0</del> 4	<del>4</del> 0
	<del>2023</del> 20	<del>4</del> 0	0	0	0	0	<del>4</del> 0	0
Ohio	<del>2021</del> 202	1	<del>0</del> 3	0	0	0	0	<del>1</del> 4
	<del>2022</del> 202	<del>1</del> 4	<del>3</del> 2	0	0	0	0	<del>4</del> 6
	<del>2023</del> 20	<del>4</del> 6	<del>2</del> 3	0	0	0	0	<del>6</del> 9
Oregon	<del>2021</del> 202	31	<del>0</del> 1	0	0	0	<del>0</del> 1	31
	<del>2022</del> 202	31	<del>1</del> 3	0	0	0	<del>1</del> 0	<del>31</del> 34
	<del>2023</del> 20	<del>31</del> 34	<del>3</del> 0	0	0	0	0	34
South Carolina	<del>2021</del> 202	<del>1</del> 3	<del>2</del> 0	0	0	0	0	3
	<del>2022</del> 202	3	0	0	0	0	<del>0</del> 3	<del>3</del> 0
	<del>2023</del> 20	<del>3</del> 0	0	0	0	0	<del>3</del> 0	0
<del>Texas</del> Tennessee	<del>2021</del> 2022	<del>3</del> 0	<del>3</del> 0	0	0	0	0	<del>6</del> 0
	<del>2023</del>	0	0	0	0	0	0	0
	<del>2024</del>	0	1	0	0	0	0	1
Texas	2022	6	2	0	0	0	0	8
	2023	8	3	0	0	0	0	11
	<del>2024</del>	<del>11</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>1</del>	<del>11</del>
Utah	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	<del>2024</del>	0	1	0	0	0	0	1
Virginia		0	<del>0</del> 1	0	0	0	0	<del>0</del> 1
		<del>0</del> 1	<del>1</del> 0	0	0	0	0	1
	<del>2023</del>	1	0	0	0	0	0	1
Washington	<del>2021</del> 202	45	<del>1</del> 0	0	0	0	0	5
	<del>2022</del> 202	5	<del>0</del> 1	0	0	0	0	<del>5</del> 6
	<del>2023</del> 20	<del>5</del> 6	<del>1</del> 2	0	0	0	<del>0</del> 1	<del>6</del> 7
West Virginia	<del>2021</del> 202	0	<del>0</del> 1	0	0	0	0	<del>0</del> 1
	<del>2022</del> 202	<del>0</del> 1	<del>1</del> 0	0	0	0	0	1
	<del>2023</del> 20	1	0	0	0	0	0	1
Wyoming	<del>2021</del> 202	<del>0</del> 1	1	0	0	0	0	<del>1</del> 2
	<del>2022</del> 202	<del>1</del> 2	<del>1</del> 0	0	0	0	0	2
	<del>2023</del> 20	2	0	0	0	0	0	2

	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Outlets Re-acquired	Ceased Operations for Other Reasons	Outlets at End of Year
<b>Total</b>								
	<del>2021</del> 202	<del>100</del> 116	<del>16</del> 20	0	0	0	<del>0</del> 3	<del>116</del> 133
	<del>2022</del> 202	<del>116</del> 133	<del>20</del> 22	0	0	0	<del>3</del> 9	<del>133</del> 146
	<del>2023</del> 20	<del>133</del> 146	21	0	0	0	<del>9</del> 2	<del>145</del> 165

Table 4: Status of Company-Owned Outlets\* ~~2021~~2022 to ~~2023~~2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Oregon							
	<del>2021</del> 20	13	0	0	<del>0</del> 1	0	<del>13</del> 12
	<del>2022</del> 20	<del>13</del> 12	0	0	<del>1</del> 0	0	12
	<del>2023</del> 20	12	0	0	0	0	12
Total							
	<del>2021</del> 20	13	0	0	<del>0</del> 1	0	<del>13</del> 12
	<del>2022</del> 20	<del>13</del> 12	0	0	<del>1</del> 0	0	12
	<del>2023</del> 20	12	0	0	0	0	12

\* Includes affiliate-owned outlets.

Table 5: Projected Openings as of December 31, ~~2023~~2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the 2024 Fiscal Year	Projected New Franchisor-Owned Outlets in the 2024 Fiscal Year*
<del>Arizona</del>	<del>3</del>	<del>2</del>	-
<del>California</del>	<del>45</del>	<del>12</del>	
<del>Colorado</del>	1	1	
<del>Florida</del>	<del>12</del>	<del>12</del>	
<del>Georgia</del> <del>Idaho</del>	<del>31</del>	<del>31</del>	
<del>Illinois</del>	<del>12</del>	<del>12</del>	
<del>Kentucky</del>	<del>1</del>	<del>1</del>	-
<del>Missouri</del>	<del>1</del>	<del>1</del>	-
<del>Nevada</del>	1	<del>01</del>	
<del>New Jersey</del>	<del>1</del>	<del>1</del>	
<del>New Mexico</del>	<del>2</del>	<del>2</del>	
<del>North Carolina</del>	<del>1</del>	<del>1</del>	
<del>Ohio</del>	<del>2</del>	<del>2</del>	-
<del>Texas</del>	4	<del>2</del>	-
<del>Utah</del>	<del>2</del>	<del>2</del>	-
<del>Virginia</del>	<del>1</del>	<del>1</del>	
<del>Washington</del>	<del>3</del>	<del>2</del>	-
<b>Total</b>	<del>3213</del>	<del>2410</del>	

\*Includes affiliate-owned outlets.

As of March ~~12, 2024~~5, 2025, there were one hundred ~~sixtyeighty~~-three (~~163183~~) THB ~~outlet~~outlets, located in these ~~2123~~ states: Arizona, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Kentucky, Maryland, Missouri, Nevada, New Jersey, New Mexico, Ohio, Oregon, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, and Wyoming. Casey Hawkins Inc. does not own or operate any THB outlets. Twelve (12) THB outlets are owned and operated by our affiliates. See Items 1 and 19 above.

Franchisee Locations as of December 31, ~~2023~~2024  
 \*Franchisees under an Area Development Agreement

	Franchisee	Outlet Address	Phone Number
Arizona	Desert Beans, LLC	<del>417</del> 1547 N. Dysert Ave. Avondale, AZ 85323	(201) 244-8855
	Havasus Bean III LLC*	2646 Highway 95 Bullhead City, AZ 86442	(928) <del>505-4023</del> 453-1314
		1191 Highway 95 Bullhead City, AZ 86429	
	<u>Beanstream, LLC</u>	<u>E State Route 89A</u> <u>Cottonwood, AZ 86326</u>	<u>(712) 229-8101</u>
	<u>Havasus Bean III</u> <u>LLC*</u>	1490 E Camino Colorado Fort Mohave, AZ 86426	<u>(928) 453-1314</u>
		2651 North Stockton Hill Road Kingman, AZ 86401	
		3330 E. Andy Devine Ave. Kingman AZ 86401	
		633 N. Lake Havasu Ave. Lake Havasu City, AZ 86403	
		1736 S. McCulloch Blvd. Lake Havasu City, AZ 86403	
		2035 N. Palo Verde Blvd. Lake Havasu City, AZ 86403	
	The Human Bean of Mesa-1 LLC	29 South Power Road Mesa, AZ 85207	(541) 891- <del>3680</del> 3780
	<u>Havasus Bean III</u> <u>LLC</u>	<u>102 W Riverside Drive</u> <u>Parker, AZ 85344</u>	<u>(928) 453-1314</u>
	<del>Walters</del> Walter Boys, LLC	20055 North 19 <sup>th</sup> Ave Phoenix, AZ 85260	<u>(360) 747-9239</u>
	Human Bean 16th St., LLC	6502 North 16 <sup>th</sup> Street Phoenix, AZ 85016	<u>(541) 301-1350</u>

	<b>Franchisee</b>	<b>Outlet Address</b>	<b>Phone Number</b>
<u>Arizona</u>	Human Bean Baseline, LLC	4377 E. Baseline Rd. Phoenix, AZ 85016	(541) 301-1350
		2010 East Indian Road Phoenix, AZ 85016	
<b>Arizona</b>	Beanstream, LLC	8200 E State Route 69 Prescott Valley, AZ 86314	<del>(928) 515-1323</del> <u>(712) 229-8101</u>
		H & L Development, LLC	1765 E. University Drive Tempe, AZ 85281
<b>California</b>	Moss Lane Ventures, LLC	7835 El Camino Real Atascadero, CA 93422	(209) <del>603-4740</del> <u>969-6043</u>
	Mendonsa, Inc.	2805 Esplanade Rd., Chico, CA 95973	<u>(530) 736-5915</u>
	BTO HB, LLC	7611 Sunrise Blvd. Citrus Heights, CA 95610	<u>(916) 223-1984</u>
	Moss Lane Ventures, LLC	1720 Shaw Avenue Clovis, CA 93611	(209) <del>603-4740</del> <u>969-6043</u>
	GN Coffee LLC	21991 El Toro Road Lake Forest, CA 92630	<del>(949) 973-2586</del> <u>(626) 383-9585</u>
	Moss Lane Ventures, LLC	839 Morro Bay Road Morro Bay, CA 93442	(209) <del>603-4740</del> <u>969-6043</u>
		410 West Henderson Ave Porterville, CA	<del>(559) 782-6373</del>
		1477 West Olive Avenue Porterville, CA 93257	<del>(559) 782-6348</del>
	Mendonsa, Inc.	2135 Main Street	(530) <del>241-7080</del> <u>736-5915</u>

	<b>Franchisee</b>	<b>Outlet Address</b>	<b>Phone Number</b>
		Red Bluff, CA 96080	
	Rio Vista Ford Inc.	1010 Hwy 12 Rio Vista, CA 94574	(707) 372-2821
	BTO HB, LLC	2401 Coppervale Dr. Rocklin, CA 95765	<u>(916) 223-1984</u>
<b><u>California</u></b>	Moss Lane Ventures, LLC	1025 Rossi Rd., Templeton, CA 93465	(209) <del>603-4740</del> <u>969-6043</u>
		942 S. Mooney Blvd. Tulare, CA 93274	<del>(559) 686-1001</del>
<b>California</b>	Moss Lane Ventures, LLC	1331 W. Caldwell Ave. Visalia, CA 93277	<del>(559) 738-8872</del>
		1109 N. Ben Maddox Way Visalia, CA 93292	<del>(559) 372-7195</del>
<b>Colorado</b>	MJB Bennett Holdings, LLC	3222 F Rd. Clifton, CO 81520	<del>(970) 314-2318</del> <u>(801) 259-0387</u>
	CMK- <del>Platte</del> , LLC	2900 E. Platte Ave. Colorado Springs, CO 80909	<del>(719) 247-1535</del> <u>(541) 864-0403</u>
	CMK- <u>Platte</u> LLC	3327 N. Academy Blvd. Colorado Springs, CO 80905	<del>(719) 247-9801</del> <u>(541) 864-0403</u>
	SS Blue Sky 2.0, LLC*	3310 23 <sup>rd</sup> Avenue Evans, CO 80620	(970) 227-3327
		1822 S. College Way Fort Collins, CO <del>80260</del> <u>80524</u>	
		821 North College Way Fort Collins, CO 80524	
	MJB Bennett	2501 North Ave.	<del>(970) 424-5592</del> <u>(801) 259-0387</u>

	<b>Franchisee</b>	<b>Outlet Address</b>	<b>Phone Number</b>
	Holdings, LLC	Grand Junction, CO 81501	
	SS Blue Sky 2.0, LLC*	3665 West 10 <sup>th</sup> Street Greeley, CO 80638	<u>(970) 227-3327</u>
		2610 West 10 <sup>th</sup> Street Greeley, CO 80638	<del>(970) 227-3327</del>
	<del>E Windsor St.</del> <u>Michael</u> Coffee Drive-Thru, LLC*	6505 West 29 <sup>th</sup> Street Greeley, CO 80634	<del>(970) 227-3327</del>
	SS Blue Sky 2.0, LLC *	100 South Second Street La Salle, CO 80645	(970) 227-3327
<b><u>Colorado</u></b>	Crossroads Plaza <del>Coffee</del> <u>Coffee Drive -Thru ;</u> <del>LLC</del> <u>LLC*</u>	6180 East Crossroads Blvd. Loveland, CO 80538	<del>(970) 776-9647</del>
	Wellington Coffee Drive-Thru, LLC*	8121 6th St. Wellington, CO 80549	<del>(970) 818-0717</del>
<b>Colorado</b>	<del>E</del> <u>East</u> Windsor Coffee Drive-Thru, LLC*	405 East Main St. Windsor, CO 80550	<del>(970) 227-3327</del>
	Robusta Roots, LLC	275 East US Hwy 24 Woodland Park, CO 80863	(719) <del>432-8177</del> <u>440-4563</u>
<b><u>Florida</u></b>	<u>Hot &amp; Cold LLC</u>	<u>4380 Lafayette St</u> <u>Marianna, FL 32446</u>	<u>(850) 372-3627</u>
<b>Georgia</b>	AMJ Company, LLC	870 McFarland Parkway Alpharetta, GA 30004	<del>(470) 784-1424</del> <u>(404) 725-1427</u>
	<u>MRJ Coffee Co.</u>	<u>7805 Veterans Pkwy</u> <u>Columbus, GA 31909</u>	<u>(541) 890-0668</u>
	<u>AMJ Company, LLC</u>	3670 Browns Bridge Rd Cumming, GA 30028	<del>(470) 239-5820</del> <u>(404) 725-1427</u>

	<b>Franchisee</b>	<b>Outlet Address</b>	<b>Phone Number</b>
		<del>1605</del> /1609 Buford Hwy., Cumming, GA 30041	<del>(404) 301-2215</del>
		320 S 400 Center Lane Dawsonville, GA 30534	
	<u>Rikesh LLC</u>	<u>735 Battlefield Pkwy</u> <u>Fort Oglethorpe, GA 30742</u>	<u>(423) 400-0259</u>
	<u>AMJ Company, LLC</u>	<u>2000 Holcomb Bridge Rd</u> <u>Roswell, GA 30076</u>	<u>(404) 725-1427</u>
		<u>1085 Peachtree Industrial Blvd.</u> <u>Suwanee, GA 30024</u>	
<b>Idaho</b>	Legacy Coffee, LLC*	9162 West Emerald Street  Boise, ID 83704	<del>(208) 376-3457</del> <u>(541) 951-6989</u>
		2100 South Broadway Boise, ID 83706	
<b>Idaho</b>	<u>Legacy Coffee, LLC*</u>	12473 West Chinden Boise, ID, 83713	<u>(541) 951-6989</u>
		10771 <u>W</u> Lake Hazel Rd. Boise, ID 83709	
		4213 West State Street Boise, ID, 83703	
		305 S. 21 <sup>st</sup> Avenue Caldwell, ID, 83605	
	Little Creek Coffee, LLC	5209 Yellowstone Ave.  Chubbuck, ID 83202	(208) <del>242-3244</del> <u>240-0749</u>
	Diamondhead LLC	380 <del>West</del> <u>East</u> Neider Street Coeur D'Alene, ID 83815	(208) 818-0709
	Legacy Coffee, LLC*	10015 West State Street Garden City, ID 83714	<u>(541) 951-6989</u>

	<b>Franchisee</b>	<b>Outlet Address</b>	<b>Phone Number</b>
<b>Idaho</b>	Diamondhead LLC	8712 N. Government Way Hayden, ID 83835	(208) 818-0709
	Legacy Coffee, LLC*	1635 North Meridian Rd. Meridian, ID 83642	<del>(208) 376-3457</del> (541) <u>951-6989</u>
		<del>2485 East Overland Road</del> <u>2480</u> <u>E Gala St</u> Meridian, ID 83642	
		3285 West Nelis Drive Meridian, ID 83646	
		2110 Caldwell Blvd. Nampa, ID 83651	
		11633 West State St Star, ID 83669	<del>(208) 376-3457</del>
	Tone Bean, LLC	161 Addison Ave. Twin Falls, ID 83301	(208) <del>595-1261</del> <u>927-0200</u>
<b>Illinois</b>	Platinum <del>Groundz 1</del> <u>Groundz 1</u> , LLC	406 N. Keller Effingham, IL 62401	(217) <del>342-0319</del> <u>246-7371</u>
<b>Indiana</b>	Hoosier Beans, LLC	5405 N Keystone Ave. Indianapolis, IN 46220	<del>(317) 384-1362</del> (808) <u>205-2957</u>
<b><u>Kentucky</u></b>	<b><u>THB WV LLC</u></b>	<b><u>1305 Fairfax Dr</u></b> <b><u>Ashland, KY 41101</u></b>	<b><u>(304) 654-2623</u></b>
<b>Kentucky</b>	Coffee Break, LLC	1946 Harrodsburg Rd. Lexington, KY 40503	(859) 893-5889
		2644 Richmond Rd. Lexington, KY 40509	
<b>Maryland</b>	8553 Ft Smallwood Md LLC	8553 Fort Smallwood Rd. Pasadena, MD 21122	<del>(240) 223-1088</del> (410) <u>829-3844</u>

	<b>Franchisee</b>	<b>Outlet Address</b>	<b>Phone Number</b>
<b><u>Missouri</u></b>	<u>Show Me Coffee, LLC</u>	<u>5799 N. Main St. Joplin, MO 64801</u>	<u>(417) 437-6874</u>
		<u>2608 S Main St Joplin, MO 64804</u>	
<b>Missouri</b>	<del>Midwest Beverage, EMJA Coffee Inc. Inc.</del>	4414 Commons Dr. St. Joseph, MO, 64507	(816) 390-6899
<b>Nevada</b>	NV Bean LLC	3300 Hwy 50 East Carson City, NV 89701	(775) <del>225-8000</del> <u>846-8806</u>
	<del>Black Jack Coffee, HBC No 4, LLC LLC</del>	71 E. Lake Mead Parkway Henderson, NV 89015	(702) <del>476-3078</del> <u>333-3562</u>
	<u>BOSR Holdings LLC</u>	<u>8860 S Durango Dr, Suite 100 Las Vegas, NV 89113</u>	<u>(916) 223-1984</u>
<b>Nevada</b>	<del>Black Jack Coffee, HBC No 3, LLC LLC</del>	<del>5600</del> <u>5602</u> W Charleston Las Vegas, 89146	<u>(702) 333-3562</u>
	NV Bean, LLC	1654 Hwy 395 Minden, NV 89423	(775) <del>746-5555</del> <u>846-8806</u>
	HBC Las Vegas No. 1, <u>LLC</u>	5265 Camino Al Norte North Las Vegas, NV 89031	(702) <del>399-6300</del> <u>333-3562</u>
	Mudd Adventures, LLC	8050 South Virginia Reno, NV 89511	(541) <del>842-8201</del> <u>944-0444</u>
<b><u>Nevada</u></b>	<u>Mudd Adventures, LLC</u>	3915 South McCarran Blvd Reno, NV 89502	<u>(541) 944-0444</u>
	IAG Nevada, LLC	3380 Kietzke Lane Reno, NV 89502	<del>(775) 376-1953</del> <u>(541) 944-0444</u>

	<b>Franchisee</b>	<b>Outlet Address</b>	<b>Phone Number</b>
		400 E. Plumb Lane Reno, NV 89502	<del>(775) 413-3250</del>
	<u>Mudd Adventures, LLC</u>	800 Holman Way Sparks, NV 89431	<del>(775) 418-5226</del> (541) <u>944-0444</u>
<b>New Jersey</b>	P5 Link LLC	417 Washington Ave. Dumont, NJ 07628	(201) 244-8855
	<u>Jersey P5, LLC</u>	<u>101 Midland Ave</u> <u>River Edge, NJ 07661</u>	<u>(201) 421-0018</u>
<b>New Mexico</b>	Tres Lobos LLC	1300 Unser Boulevard SW Albuquerque, NM 87121	(505) <del>208-0705</del> <u>681-7812</u>
		<u>7341 San Antonio NE Dr</u> <u>Albuquerque, NM 87109</u>	
	The James Bean LLC	<del>1770</del> <u>2680 Main Street</u> <del>NE</del> <u>NW</u> Los Lunas, NM 87031	<u>(505) 681-7812</u>
		<u>1770 Main Street NE</u> <u>Los Lunas, NM 87031</u>	
<b>Ohio</b>	<u>Chai Kafe LLC</u>	<u>5259 Northfield Rd</u> <u>Bedford Heights, OH 44146</u>	<u>(419) 516-8700</u>
<b>Ohio</b>	The Palace of Akron, LLC	3479 Center Road Brunswick, OH 44212	<del>(234) 803-3201</del> <u>(330) 802-1213</u>
	Fix N' Sips Coffee Corp.	2149 Southgate Parkway Cambridge, OH 43725	<u>(740) 359-1616</u>
	HBOH <del>Streetsboro,</del> <u>LLC</u> <del>LLC</del>	4301 Whipple Ave. Canton, OH 44718	<del>(330) 244-6626</del> <u>(541) 944-6513</u>
	<u>HBOH Perry, LLC</u>	<u>4660 Tuscarawas W. St.</u> <u>Canton, OH 44708</u>	<u>(541) 944-6513</u>
<b>Ohio</b>	HBOH Green, LLC	3532 Massillon Road	<del>(330) 244-6626</del> <u>(541) 944-6513</u>

	<b>Franchisee</b>	<b>Outlet Address</b>	<b>Phone Number</b>
		Green, OH 44685	
<b>Ohio</b>	HBOH Kent 59 LLC	1713 E. Main Street Kent, OH 44240	<del>(330) 968-3004</del> (541) <u>944-6513</u>
	HBOH Streetsboro, LLC	9215 State Route 43 Streetsboro, OH 44241	(330) 244-6626
	<u>CLEHB Mentor LLC</u>	<u>8764 Mentor Ave.</u> <u>Mentor, OH 44060</u>	<u>(216) 337-8230</u>
	<u>HBOH LLC</u>	<u>9215 State Route 43</u> <u>Streetsboro, OH 44241</u>	<u>(541) 944-6513</u>
<b>Oregon</b>	Blueberry Junction LLC	952 Hill Street SE Albany, OR 97322	(541) <del>936-1997</del> <u>908-5032</u>
	<del>Blueberry Junction LLC</del>	3080 Pacific Blvd SE Albany, OR 97322	<del>(541) 936-1997</del>
	Lisa Murray	65 S 10 <sup>th</sup> Street Bandon, OR 97411	(541) <del>347-4336</del> <u>404-6122</u>
	NW Coffee Group LLC	14435 SW Tualatin Highway Beaverton, OR 97005	(503) <del>201-1309</del> <u>830-0271</u>
	JCK Coffee Co., LLC*	1041 Northeast 9 <sup>th</sup> Street Bend, OR 97701	(541) <del>342-6557</del> <u>915-2482</u>
	NW Coffee Group LLC	9839 SE Elon Street Clackamas, OR 97015	(503) <del>201-1309</del> <u>830-0271</u>
	Raevin Inc.	62993 Highway 101 Coos Bay, OR 97420	(541) <del>267-6724</del> <u>404-7113</u>
	JCK Coffee Co., LLC*	2809 Chad Drive Eugene, OR <del>97401</del> <u>97408</u>	(541) <del>342-6557</del> <u>915-2482</u>

	<b>Franchisee</b>	<b>Outlet Address</b>	<b>Phone Number</b>
		3645 West 11 <sup>th</sup> Avenue Eugene, OR 97402	
		1775 W 7 <sup>th</sup> Ave Eugene, OR97402	<del>(541) 342-6557</del>
	<b><u>Oregon</u></b>	Raevin, Inc. 520 Hwy 101 Florence, OR 97439	(541) <del>991-3662</del> <u>404-7113</u>
		Thomason Bean Co., Inc * 840 NE F Street Grants Pass, OR 97526	(541) <del>955-9506</del> <u>441-1366</u>
	<b>Oregon</b>	Thomason Bean Co., Inc * 1885 6 <sup>th</sup> Street Grants Pass, OR 97526	
		109 Curtis Drive Grants Pass, OR 97526	
		700 SE 7th Street Grants Pass, OR 97256	
		<u>Meant 2B Coffee, LLC</u>	<u>(541) 379-6074</u>
		205 S. Hwy 395 Hermiston, OR 97838	
		JCK Coffee Co., LLC* 5007 River Road North Keizer, OR 97303	(541) <del>342-6557</del> <u>915-2482</u>
		Janterr, LLC 4653 South 6 <sup>th</sup> Street Klamath Falls, OR 97603	(541) <del>882-4262</del> <u>891-3780</u>
		515 Washburn Way Klamath Falls, OR 97603	
		Blueberry Junction, LLC 1507 S. Main Street Lebanon, OR 97355	(541) <del>936-1997</del> <u>908-5032</u>

	<b>Franchisee</b>	<b>Outlet Address</b>	<b>Phone Number</b>
	Riptide Coffee Co.	3565 NW HWY 101 Lincoln City, OR 97367	(503) <del>272-5191</del> <u>941-7105</u>
	4M Group LLC	40 NE Plum Street Madras, OR 97741	(541) <del>615-1662</del> <u>556-6501</u>
	Riptide Coffee Co.	601 North Coast Hwy Newport, OR 97365	(503) 971-7105
	Raevin, Inc.	1509 Virginia Avenue North Bend, OR 97459	(541) <del>267-6724</del> <u>404-7113</u>
	Blueberry Junction, LLC	1914 Main Street Philomath, OR 97370	(541) <del>936-1997</del> <u>908-5032</u>
<b><u>Oregon</u></b>	NW Coffee Group LLC	4835 NE Sandy Blvd Portland, OR <del>97208</del> <u>97213</u>	(503) <del>201-1309</del> <u>830-0271</u>
	Thomason Bean Co., Inc.*	1230 West Harvard Roseburg, OR 97470  2288 NW Stewart Parkway Roseburg, OR 97471	(541) <del>955-9506</del> <u>441-1366</u>
	JCK Coffee Co., Inc.*	4651 Commercial St. Salem, OR 97302	(541) <del>342-6557</del> <u>915-2482</u>
<b>Oregon</b>	JCK Coffee Co., Inc.*	400 Q Street Springfield, OR 97477  1375 Main Street Springfield, OR 97477	
	THB Warrenton, Inc.	1526 SE Discovery North Warrenton, OR 97146	(541) 282-4940
	GK West Corp.	2100 Leigh Way	(541) <del>826-3851</del> <u>941-9733</u>

	<b>Franchisee</b>	<b>Outlet Address</b>	<b>Phone Number</b>
		White City, OR 97503	
	NW Coffee Group LLC	25250 SW 95 <sup>th</sup> Avenue Wilsonville, OR 97070	(503) <del>201-1309</del> <u>830-0271</u>
<b><u>Tennessee</u></b>	<u>Arnold Investment Co. Inc.</u>	<u>450 Oil Well Rd Jackson, TN 38305</u>	<u>(731) 420-1212</u>
<b>Texas</b>	THB of South Texas, LLC	447 E. Alton Gloor Blvd., Brownsville, TX 78526	<del>(678) 456-5054</del> <u>(956) 592-2393</u>
	PRN Coffee LLC	2661 Midway Rd, Ste 300 Carrollton, TX 75006	(972) 989-8977
	<u>Speedy Blue Chocolate with Red Curls</u>	<u>3117 Williams Dr Georgetown, TX, 78628</u>	<u>(408) 717-3127</u>
	Kewl Beans II Inc.	1001 West Ground Grove Road Lewisville, TX 75067	(832) 691-4321
	<u>Bee Knee Investments, LLC</u>	<u>7019 82nd St. Lubbock, TX 79424</u>	<u>(806) 441-8738</u>
<b><u>Texas</u></b>	<u>ARO Coffee, LLC</u>	<u>1124 E. Nolana Ave. McAllen, TX 78504</u>	<u>(956) 243-7262</u>
	JA MO Kar, LLC	2007 North Big Spring Street Midland, TX 79707	<del>(432) 262-0280</del> <u>(541) 601-2347</u>
	432 One LLC	4950 E. University Blvd. Odessa, TX 79762  2424 N. FM 1936 Odessa, TX 79762	(541) 601-2347
	<del>Swing Holdings, I Bean Drinking LLC LLC</del>	105 Rex Kerwin Court, Bldg 1 Pflugerville, TX 78660	<del>(541) 297-6007</del> <u>(408) 717-3127</u>
	<del>Juniper Ventures of Texas, LLC</del>	<del>25510 Bulverde Road San Antonio, TX 78261</del>	<del>(830) 714-4400</del>

	<b>Franchisee</b>	<b>Outlet Address</b>	<b>Phone Number</b>
	Bexar Coffee SATX, LLC	7224 FM 78 San Antonio, TX 78244	<del>(210) 267-1332</del> <u>(956) 592-7504</u>
	JMJB, LLC	15082 Potranco Road #114 San Antonio, TX 78245	<u>(541) 951-9914</u>
<b>Utah</b>	<u>Muggle Bean Inc.</u>	<u>1075 N Main St. Springville, UT 84663</u>	<u>(801) 576-0308</u>
<b>Virginia</b>	J & P Coffee, LLC	22074 Railcar Drive Sterling, VA 20164	<del>(434) 830-4189</del> <u>(703) 609-2865</u>
<b>Washington</b>	Jaime's Java, LLC	4305 W. Clearwater Kennewick, WA 99336	<del>(509) 579-0518</del> <u>(916) 208-0636</u>
	<u>JBJ Coffee Co. Inc.</u>	<u>W. 2503 Northwest Blvd Spokane, WA 99205</u>	<u>(509) 710-9532</u>
	NW Coffee Group LLC	15630 NE Fourth Plain Blvd. Vancouver, WA 98682  16205 NE 23 <sup>rd</sup> St Vancouver, WA 98684	<u>(503) 319-1510</u> <del>830-0271</del>
	Jaime's Java, LLC	2423 NE 134 <sup>th</sup> Street Vancouver, WA 98686  1195 E. Whitman Dr. Walla Walla, WA	<del>(509) 204-3063</del> <u>(916) 208-0636</u>
<b>Washington</b>	<del>Sayk LLC</del> <u>Golden Springs Coffee, LLC</u>	<del>115 56<sup>th</sup> Ave.</del> <u>35 S Mission St Yakima Wenatchee, WA 98801</u>	<del>(541) 993-7488</del> <u>(206) 406-6546</u>
<b>West Virginia</b>	AskKris Corporation	5634 US RT 60 Huntington, WV 25705	<del>(681) 888-5433</del> <u>(304) 654-2623</u>
<b>Wyoming</b>	Roast 1, Inc.	2211 E. Lincolnway	<u>(307) 369-4500</u> <del>640-1767</del>

Franchisee	Outlet Address	Phone Number
Purple Hippo LLC	Cheyenne, WY 82001 2700 E. Grand Ave. Laramie, WY 82070	(307) 761-2254

Franchisee Locations opened after December 31, ~~2023~~2024  
As of March ~~12~~5, 2024

	Franchisee	Outlet Address	Phone Number
<b>Georgia</b>	<del>AMJ Company LLC</del>	<del>2000 Holcomb Bridge Road</del> Roswell, GA 30076	<del>(770) 685-6850</del>
<b>Kentucky</b>	<del>THB WV, LLC</del>	<del>1305 Fairfax Drive</del> Ashland, KY 41101	<del>(606) 385-8966</del>
<b>Missouri</b>	Show Me Coffee, LLC	<del>5799 N. 2608 S Main St.</del> Joplin, MO <del>64801</del> 64804	(417) <del>208-9839</del> 437- 6874
<b>Nevada</b> <b>Texas</b>	<del>BOSR Holding,</del> <del>LLC</del> <u>Bexar Coffee</u> <u>STAX</u>	<del>8860 S Durango Drive</del> <u>1800 Pat</u> <u>Booker Rd</u>  <del>Las Vegas, NV 89113</del>	<del>(702) 948-</del> <del>8929</del> <u>(956) 592-7504</u>
<b>Ohio</b>	<del>HBOH Perry II, LLC</del>	<del>4660 Tuscarawas W.</del> <del>St. Universal City, TX 78148</del> <del>Canton, OH 44708</del>	<del>(234) 214-8403</del>
<b>Tennessee</b> <b>Utah</b>	<del>Arnold Investment</del> <del>Co.</del> <u>Muggle Bean</u> Inc.	<del>450 Oil Well Road</del> <del>Jackson, TN 38305</del> <u>4585 West</u> <u>13400 South</u> <u>Riverton, UT 84096</u>	<del>(731) 300-3880</del> <del>(801) 860-5569</del>
<b>Virginia</b>	<u>J&amp;P Coffee Stone</u> <u>Ridge LLC</u>	<u>24665 Gateway Village Pl</u> <u>Chantilly, VA 20152</u>	<u>(703) 609-2865</u>

Franchisees with Signed Agreements, Not Yet Open for Business

As of March 12, 2024

Entity Name	City	State / Province	Email
Beanstream, LLC	Cottonwood	Arizona	aliwofford@gmail.com
Kelly's Perfect Blend LLC	Litchfield	Arizona	waltersboysllc@gmail.com
Vaxman Magic, Inc. GN Coffee LLC	Hemet Garden Grove	California	roman@vaxmanmagic.com niniwu0208@yahoo.com
Beanstream, LLC	Cottonwood	Arizona	aliwofford@gmail.com
Kelly's Perfect Blend LLC	Litchfield	Arizona	THB.Phx@gmail.com
Havasut Bean III LLC	Parker	Arizona	humanbeanhavasut@gmail.com
Vaxman Magic, Inc.	Hemet	California	roman@vaxmanmagic.com
Verve Beverage and More, LLC	La Mesa	California	anthony@vervebev.com
Vaxman Magic, Inc.	Lake Elsinore	California	roman@vaxmanmagic.com
Vaxman Magic, Inc.	Menifee	California	roman@vaxmanmagic.com roman@vaxmanmagic.com
Buck-N-Bean Beans LLC	Denver	Colorado	info@buck-n-bean.com
Hot & Cold LLC	Marianna Callaway	Florida	Shannon.maddox@maddoxms.com beanteam.com
Grounded Investments, LLC	Winter Springs	Florida	janmichelle79@gmail.com
MRJ Coffee Co.	Columbus	Georgia	mrjcoffeeco@charter.net
Rikesh Diamondhead LLC	Fort Oglethorpe Post Falls	Georgia Idaho	thehumanbean706 aliciaaddy@gmail.com
AMJ Company, LLC	Roswell	Georgia	fitzhughmail@gmail.com
Spilled Life LLC	Lebanon	Illinois	sastew33@gmail.com
Uma 22 Inc.	Mokena	Illinois	Anand60185 uma22inc@gmail.com
Hoosier Beans, LLC	Indianapolis	Indiana	melinda.rowan@gmail.com
HBC No 2, LLC	Las Vegas	Nevada	john@alamandkhan.com
Jersey P5, LLC	River Edge	New Jersey	syed.ispahani@yahoo.com
Tres Lobos, LLC	Albuquerque	New Mexico	humanbeannm@gmail.com
The James Bean LLC	Los Lunas	New Mexico	keith.z.griego@intel.com

Entity Name	City	State / Province	Email
JBC Java LLC	Raleigh	North Carolina	<del>brownwynhensley@gmail.com</del> <u>bronwynhensl</u>
<del>Chai Kafe</del> <u>Dakota</u> Bean LLC	<del>Bedford</del> <u>Heights</u> <u>Sioux Falls</u>	<del>Ohio</del> <u>South</u> <u>Dakota</u>	<del>ashadya</del> <u>ewsmenke@gmail.com</u>
<del>CLEHB Mentor</del> LLC	<del>Mentor</del>	<del>Ohio</del> —	<del>thelandhb@gmail.com</del>
<del>Speedy Blue</del> <del>Chocolate with Red</del> <del>Curls</del>	<del>Austin</del>	<del>Texas</del>	<del>edjohst@gmail.com</del>
Ehrlich Ventures LLC	Cedar Park	Texas	neilehrlich@gmail.com
<del>Speedy Blue</del> <del>Chocolate with Red</del> <del>Curls</del>	<del>Georgetown</del>	<del>Texas</del>	<del>edjohst@gmail.com</del>
<del>Bee Knee</del> <del>Investments, LLC</del>	<del>Lubbock</del>	<del>Texas</del>	<del>beekneeinvestments@gmail.com</del>
<del>Double A Bean,</del> LLC	<del>Missouri City</del>	<del>Texas</del>	<del>obdoe00</del> <u>edwardjvenegas123@gmail.com</u>
<del>Tabasco Caf</del> LLC	<del>Odessa</del>	<del>Texas</del>	<del>hbwtx1@gmail.com</del>
<del>Jacob Miller and</del> <del>Jacob Moore</del> <u>JMJB</u> LLC	<del>San Antonio</del>	<del>Texas</del>	<del>jake@shortstopmarkets.</del> <u>thehumanbean@gmail</u>
<del>Bexar Coffee STAX</del> <del>H, LLC</del>	<del>Universal City</del>	<del>Texas</del>	<del>ed.bexarcoffee@gmail.com</del>
<del>Muggle Bean Inc.</del>	<del>Riverton</del>	<del>Utah</del>	<del>Martyferguson1@aol.com</del>
<del>Muggle Bean Inc.</del>	<del>Springville</del>	<del>Utah</del>	<del>martyferguson1@aol.com</del>
<del>J&amp;P Coffee LLC</del>	<del>Chantilly</del>	<del>Virginia</del>	<del>jarrodf@hotmail.com</del>
<del>Jaime's</del> <u>Jamie's</u> Java LLC	<del>Kennewick</del>	<del>Washington</del>	<del>jmluisi@msn.com</del>
<del>JBJ Coffee Co. Inc.</del>	<del>Spokane</del>	<del>Washington</del>	<del>Thehumanbeanspokane@comcast.net</del>
<del>Golden Springs</del> <del>Coffee,</del> <u>THB WV</u> LLC	<del>Wenatchee</del> <u>Hurricane</u>	<del>Washington</del> <u>West</u> <u>Virginia</u>	<del>ningji@goldenspringsllc</del> <u>mchap2020@aol.com</u>

In ~~2023~~ 2024, no franchisee had an outlet terminated, canceled or not renewed. ~~Nine~~ Two franchisees voluntarily ceased to do business with us under franchise agreements in ~~2023~~ 2024, and ~~seven~~ two franchisees transferred a total of ~~fourteen~~ three franchised outlets to new owners.

### Closures of Franchised Locations.

~~Eight (8) franchisees (all under common control) closed locations in 2023: THB New Hope, LLC (North Carolina); THB Congaree, LLC (South Carolina); THB Morganton, LLC (North Carolina); THB Summit Commons, LLC (South Carolina); THB Broad River, LLC (South Carolina); THB Long Creek, LLC (North Carolina); THB Waterville Commons, LLC (North Carolina); and THB Lake City, LLC (Florida). Questions about these eight locations may be directed to:~~

~~—— Gary Davies [gary@capeam.com](mailto:gary@capeam.com)~~

~~A ninth (9<sup>th</sup>) location was closed by multi-unit franchisee SS Blue Sky 2.0, LLC, which ceased to operate its mobile truck in Colorado. Questions about this unit may be directed to:~~

~~—— Frank Sherman [frank@hbnoco.com](mailto:frank@hbnoco.com)~~

A total of two (2) franchisees closed locations in 2024.

<u>Entity Name</u>	<u>State</u>	<u>Contact Info</u>
<u>Juniper Ventures of Texas LLC</u>	<u>Texas</u>	<u>Rodney Fischer <a href="mailto:rodney@midtexoil.com">rodney@midtexoil.com</a></u>
<u>SAYK LLC</u>	<u>Washington</u>	<u>Steven Balodis <a href="mailto:srb8196@gmail.com">srb8196@gmail.com</a></u>

### Transfers of Franchised Locations.

In ~~2023~~2024, these ~~seven (7)~~two (2) franchisees transferred a total of ~~fourteen (14)~~three (3) franchised outlets:

~~THB Phoenix 1 LLC and THB of Phoenix 2 transferred locations in Phoenix, AZ. Questions about these two locations may be directed to the selling franchisee at:~~

~~Brian Sherrill [brian@humanbeanaz.com](mailto:brian@humanbeanaz.com)~~

~~Amie Wallace transferred her Rocklin, CA and Citrus Heights, CA locations. Questions about these two locations may be directed to the selling franchisee at:~~

~~Amie Wallace [amiedwallace@gmail.com](mailto:amiedwallace@gmail.com)~~

~~THBWP, LLC transferred its Woodland Park, CO location. Questions about this location may be directed to the selling franchisee at:~~

~~Sara & Dan Taylor [redbaroncarwash@gmail.com](mailto:redbaroncarwash@gmail.com)~~

~~VTP Coffee, LLC transferred five (5) California locations: two in Porterville, two in Visalia, and one in Tulare. Questions about these locations may be directed to the selling franchisee at:~~

~~—— Fred Gibby fred@vtp.us~~

~~Edward and Shanna Booth transferred their Chico, CA location. Questions about this location may be directed to the selling franchisee at:~~

~~—— Edward & Shanna Booth jazzed16@hotmail.com~~

~~C&C Coffee, LLC transferred three Vancouver, WA locations. Questions about these three locations may be directed to the selling franchisee at:~~

~~—— Brian Magnussen brian@bandtcoffee.com~~

<u>Name of Transferring Franchisee</u>	<u>State</u>	<u>Number of locations transferred</u>	<u>Contact Info</u>
<u>Swift Holdings, LLC</u>	<u>Pflugerville, TX</u>	<u>1</u>	<u>Whitney Ingersoll Whitneyingersoll726@gmail.com</u>
<u>Black Jack Coffee LLC</u>	<u>Las Vegas, NV and Henderson, NV</u>	<u>2</u>	<u>Ardys Reed ardys@blkjacklv.com</u>

No franchisee has failed to communicate with us, within 10 weeks of the effective date of this Disclosure Document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with The Human Bean. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

As of the date of this Disclosure Document, we are not currently selling a previously-owned franchised outlet now under our control. To reach the THB Franchisee Advisory Committee, the trademark-specific franchisee organization for THB franchisees, call (888) 262-2215.

**Item 21**  
**FINANCIAL STATEMENTS**

Attached as Exhibit G are our audited financial statements for fiscal years 2024-2023, dated December 31, 2024; and for fiscal years 2023-2022, dated December 31, 2023; and for fiscal years 2022-2021, dated December 31, 2022; and unaudited interim financials for currency as

needed. The audited financial statements as of December 31, ~~2023~~2024 and any unaudited financial statements are included in Exhibit G.

**Item 22**  
**CONTRACTS**

Copies of all franchise agreements used by the franchisor are attached as exhibits. These documents are as follows:

Exhibit B - Franchise Agreement, State-Specific Addendum (if applicable),  
Guaranty Agreement, Electronic Funds Transfer Authorization, Manager's  
Confidentiality Agreement, and Form of Release

Exhibit C - Site Analysis Agreement

Exhibit H - Area Development Agreement and State-Specific Addendum (if  
applicable)

**Item 23**  
**RECEIPTS**

Exhibit J, the last page of this Disclosure Document, is a detachable document acknowledging your receipt of this Disclosure Document. The Federal Trade Commission requires that you promptly sign and return one copy of the receipt to us. This does not obligate you to purchase a franchise and it does not obligate us to sell you a franchise. Retain the other copy of the receipt for your records.

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.

**Illinois**

The State of Illinois requires that the following risk be highlighted:

**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.

Item 5 is amended as follows:

THB will defer the due date for payment of the balance of the Initial Franchise Fee (after execution of the Site Analysis Agreement) until Franchisee has opened its THB Outlet at the Premises, or the Illinois Attorney General has lifted its deferral requirement, whichever is sooner. The Illinois Attorney General’s Office imposed this deferral requirement due to Franchisor’s financial condition.

Illinois law governs the franchise agreements.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisee’s rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire, or ~~acknowledgement~~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~~franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**Maryland**

- 1. Nothing in the Franchise Agreement or any related agreement will be interpreted to require franchisees or developers to waive, release or be estopped from asserting any claims arising under the Maryland Franchise Registration & Disclosure Law.
- 2. Nothing in the Franchise Agreement or any related agreement will be interpreted to bar franchisees or developers from seeking injunctive relief in Maryland on any claims arising under the Maryland Franchise Registration & Disclosure Law.

## FRANCHISE AGREEMENT

### 1. The Franchise.

- 1.1 Franchise Grant.** THB grants Franchisee a franchise that includes the right to use the Proprietary Marks and the THB System, as provided in and during the Term of this Agreement, in connection with the operation of the THB Outlet, at the Premises, or such other location as THB may approve.
- 1.2 Territorial Exclusivity.** THB will not establish another THB outlet within a radius of one mile of the Premises, unless Franchisee first gives its written consent. Franchisee may relocate the THB Outlet within its granted territory only with THB's prior written consent and approval of the relocation site. THB may engage in any lawful business activity (other than establishing another THB outlet) within such one-mile radius, using any of the Proprietary Marks or any other trademark or service mark. If THB and Franchisee or its Affiliate are parties to an Area Development Agreement ("ADA"), then during the term of the ADA, its provisions regarding territorial rights in the Development Area will supersede the more limited grant of territorial exclusivity for individual units set forth in this Section. If an ADA is terminated and not renewed, extended or replaced, but this Agreement remains effective, then the more limited grant of territorial exclusivity for individual units set forth in this Section will apply to the Premises.
- 1.3 Limitation to Outlet Site.** This franchise is granted only for the Premises and, except as provided in Section 1.2, grants no rights outside that site. Except as provided in Section 1.2, THB reserves the sole and unlimited right to establish and operate, or permit others to operate, THB outlets at any location.
- 1.4 Various Forms of Franchise Agreements.** Current franchisees of THB operate under various forms of franchise agreements, and THB's obligations and rights with respect to its various franchisees may differ materially. The existence of different forms or versions of this Franchise Agreement does not entitle Franchisee to benefit from any such difference, nor does it operate to alter or amend this Agreement.

### 2. Fees.

- 2.1 Site Analysis Fee.** Upon the execution of this Agreement, THB will apply any Site Analysis Fee paid by Franchisee pursuant to a Site Analysis Agreement between Franchisee and THB to the Initial Franchise Fee, as defined below.
- 2.2 Initial Franchise Fee.** The fee for the rights granted under this Agreement (the "Initial Franchise Fee") is Thirty-~~Five~~ Five Thousand Dollars (~~\$30~~35,000), which is due upon execution of this Agreement. If your THB Outlet does not open for business within eighteen (18) months of the execution of this Agreement, then THB may terminate this Agreement and retain the nonrefundable portion of the

Trademark or Service Mark	USPTO Registration Number
	<a href="#">Reg. No. 7,528,285</a>
	<a href="#">Reg. No. 7,528,292</a>
<a href="#">POOLSIDE</a>	<a href="#">Reg. No. 7,530,715</a>

- 4.4 List of Proprietary Marks Subject to Change.** If it becomes advisable at any time in the sole discretion of THB to modify or discontinue use of any of the Proprietary Marks, including “The Human Bean,” or to use one or more additional substitute trade or service marks, Franchisee will comply with THB’s direction to modify or discontinue use of such mark or use one or more additional or substitute trade or service marks within a reasonable time after notice to Franchisee, and THB’s liability to you in such event will be limited to the reasonable cost of replacement of signs, supplies, and other materials bearing the discontinued mark.
- 4.5 Limitations on Use of Proprietary Marks.** Franchisee may use the Proprietary Marks only in conformity with the standards and requirements that THB has established or may establish from time to time as set forth in the Operations Manuals. Any unauthorized use, or continued use of the Proprietary Marks after the termination or expiration of this Agreement, will constitute a breach of this Agreement and (potentially) trademark infringement, causing irreparable harm to THB, subject to injunctive relief. Franchisee will submit all printed or electronic forms bearing its corporate name, such stationery, business cards, purchase orders, and invoices to THB for its written approval and not use these items unless approved. Franchisee will not use “The Human Bean” or any other of the Proprietary Marks, or any term confusingly similar to the Proprietary Marks, as a corporate, quasi-corporate, L.L.C., partnership or top-level domain name except as permitted by Section 4.13 of this Agreement or required by applicable law.

supplier of goods or services for your THB Outlet is a material breach of this Agreement.

**8.4 Coffee and Coffee Beans.** Franchisee will purchase only from THB's approved distributor all of Franchisee's requirements for coffee and espresso beans, as specified in the Operations Manual, or other documents provided or approved by THB as they presently exist or may exist in the future. No coffee or espresso may be served at the THB Outlet that is not purchased through the THB-designated supplier. THB's coffee and espresso bean blends and roasts are distinctive elements of the THB product offerings, and Franchisee's breach of this Section 8.4 will be grounds for immediate termination of this Agreement by THB without opportunity to cure. Franchisee will pay THB-designated coffee or espresso bean vendors within vendor terms.

**8.5 Logo Cups and Lids.** Franchisee will purchase only from THB, or its Affiliate or approved distributor, all of Franchisee's requirements for branded cups and lids bearing the THB Marks or logo, per the Operations Manual. This provision applies to both disposable and re-usable cups and lids. The purchase of branded or unbranded cups or lids from other sources for use at your THB Outlet is a violation of this Agreement.

**8.6 Advertising and Promotions.** Franchisee will ~~use its best efforts to~~ promote and advertise the opening of the THB Outlet.

8.6.1 ~~Pre-Opening~~ Direct Local Advertising. ~~THB recommends that for~~ Opening. Franchisee ~~plan to will~~ spend at least ~~seventen~~ thousand ~~five hundred~~ dollars (\$~~7,500~~10,000) directly on local advertising ~~within~~ during the first ~~six (6)~~ three (3) months ~~following~~ before and the first three (3) months after the opening of the THB Outlet, ~~then 5~~. Thereafter, it is recommended but not required to spend at least 2% and up to 7% of gross revenue for the next six (6) months, and at least 3% of gross revenue thereafter. on local advertising.




8.6.2 Promotional Campaigns. Franchisee will participate in all system-wide promotional and/or charitable campaigns, in whatever form, including by honoring any system-wide discounts and contributing from proceeds to specified charities.

8.6.3 Promotional Content. Advertising materials made available to Franchisee by THB pursuant to Section 10.6 of this Agreement are approved if used without change. All other advertising and promotional content to be offered or published by or for Franchisee in any medium, including without limitation print, radio, television and Internet, will be submitted to THB for approval or disapproval in advance of its use, and no such advertisement or promotion will be used by Franchisee unless it has first been approved by THB. THB will evaluate all proposed advertising and promotions and either approve or disapprove within fifteen (15) days of

regarding the matters set forth in the Operations Manual, such as menus, procedures, branding, standards, recipes and equipment, whether or not specifically designated as amendments to the Operations Manual.

18.20 “Premises” means the location stated in ~~Section XXX~~the preamble of this Agreement, or such other location as THB may approve.

18.21 “Proprietary Marks” or “THB Marks” ~~means~~has the ~~following, and such other marks as THB may, meaning assigned in its sole discretion, add by amendment~~Section 4.3 of the Operations Manuals; this Agreement.

TRADEMARK OR SERVICE MARK	UNITED STATES PATENT & TRADEMARK OFFICE REGISTRATION NUMBER
<del>“The Human Bean”</del>	2,493,213
<del>“The Human Bean Espresso Coffee Etc.”</del>	2,760,822
<del>”The Human Bean Drive Thru”</del> 	2,805,579
<del>“H2B”</del>	3,264,873
	5,545,858
	5,545,866

## ILLINOIS ADDENDUM TO THE FRANCHISE AGREEMENT

This RIDER is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Casey Hawkins, Inc., an Oregon corporation (“THB”), and \_\_\_\_\_, whose principle business address is \_\_\_\_\_ (“Franchisee”).

### RECITALS

THB and Franchisee are parties to a certain Franchise Agreement of even date herewith. This Rider is annexed to, and forms part of, the Franchise Agreement. This Rider is being executed because (a) Franchisee is a resident of Illinois; and/or (b) the drive-thru that Franchisee will operate under the Franchise Agreement will be located in the state of Illinois. In accordance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the IFDA or any other law of Illinois is void.

### AMENDMENTS

Section 2.2 of the Franchise Agreement is amended by deleting the first sentence and substituting the following:

2.2 The fee for the rights granted under this Agreement (the “Initial Franchise Fee”) is Thirty-~~Five~~ Thousand Dollars (\$~~3035~~,000). THB will defer the due date for payment of the balance of the Initial Franchise Fee until Franchisee has opened its THB Outlet at the Premises, or the Illinois Attorney General has lifted its deferral requirement, whichever is sooner. The Illinois Attorney General’s Office imposed this deferral requirement due to Franchisor’s financial condition.

Section 3 of the Franchise Agreement is amended by adding the following:

3.1 Illinois Law. Your rights upon non-renewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20.

Section 15 of the Franchise Agreement is amended by adding the following:

15.1 Illinois Law. The conditions under which your franchise can be terminated may be affected by Illinois law, 815ILCS 7051/19 and rule 200 608.

15.9 Illinois Law. The conditions under which your franchise can be terminated may be affected by Illinois law, 815ILCS 7051/19 and rule 200 608.

Section 16.3 of the Franchise Agreement is amended by adding the following:

The governing law clause in the Franchise Agreement, Section 16.3, applies to the construction or interpretation of the Franchise Agreement and shall not be construed to negate the application of Illinois law. To the extent required by Illinois law, any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside of

Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois, provided that an agreement may provide for arbitration in a forum outside Illinois.

Section 17.2 is amended by adding the following:

No statement, questionnaire, or ~~acknowledgement~~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~~franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

In witness whereof, the parties hereto have executed and delivered this Rider for Use in Illinois, on the date stated above or when signed by both parties, whichever is first.

FOR CASEY HAWKINS, INC.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

FOR FRANCHISEE

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Additional franchisees:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

EXHIBIT C  
SITE ANALYSIS AGREEMENT

This Site Analysis Agreement (this “Agreement”) is made and entered into by and between Casey Hawkins, Inc. (“THB”) and \_\_\_\_\_ (“Prospective Franchisee”) on this date, \_\_\_\_\_ (the “Effective Date”).

RECITALS

Prospective Franchisee has received and reviewed the THB Franchise Disclosure Document, describing THB’s franchised drive-thru espresso and coffee business. Prospective Franchisee is applying to become a THB franchisee. In consideration of Prospective Franchisee’s payment of Five Thousand Dollars (\$5,000), THB is willing to analyze sites proposed by Prospective Franchisee for Prospective Franchisee’s THB outlet.

TERMS

1. Prospective Franchisee acknowledges that the THB Franchise Disclosure Document, together with a copy of this Agreement, was received by Prospective Franchisee on \_\_\_\_\_.

2. Together with a signed copy of this Agreement, Prospective Franchisee attaches a completed copy of THB’s Site Analysis Form, with all documents and information required for each site to be evaluated by THB. Prospective Franchisee may submit multiple proposed sites for evaluation by THB up to a maximum of ten (10) sites, provided that each of the proposed sites is within fifty (50) miles of each of the other proposed sites.

3. THB acknowledges receipt of the sum of Five Thousand Dollars (\$5,000) from Prospective Franchisee (the “Site Analysis Fee”). If THB, in the exercise of its reasonable business judgment, deems one or more of Prospective Franchisee’s proposed sites suitable for a THB outlet, THB will apply the Site Analysis Fee to the Initial Franchise Fee of Thirty-Five Thousand Dollars (~~\$30~~35,000) payable by Prospective Franchisee upon the execution of a franchise agreement with THB, provided that Prospective Franchisee pays the balance of the Franchise Fee within ninety (90) days of receipt of site approval from THB (Section 5 below).

4. The Site Analysis Fee is nonrefundable. If THB and Prospective Franchisee are unable to agree on a site for the THB outlet within nine (9) months of payment of the Site Analysis Fee, or they are unable to agree to the terms of the franchise agreement, or if for any other reason Prospective Franchisee does not enter into a franchise agreement with THB, the Site Analysis Agreement will terminate, and the Site Analysis Fee will be deemed fully earned by THB and will not be refunded.

5. If THB approves one or more of the proposed sites, Prospective Franchisee will have ninety (90) days from the receipt of notice of site approval to pay the balance of the Franchise Fee and enter into a franchise agreement with THB. If Prospective Franchisee does not enter into a franchise agreement with THB within the allotted time, the Site Analysis Fee will be deemed

## EXHIBIT D

### Table of Contents of the 20232024 Operations Manual

<b>1</b>	<b>OUR CORE MENU</b>	<b>5</b>
<b>2</b>	<b>OUR BEANS</b>	<b>10</b>
	2.1 Type	10
	2.2 Ordering Coffee	10
	2.3 Portland Coffee Roasters Freshness and Recommended Shelf Life	11
<b>3</b>	<b>OUR PRODUCTS – GENERAL</b>	<b>12</b>
	CHOCOLATE COVERED ESPRESSO BEANS	12
	3.1 Description	12
	3.2 Storage Bulk	12
	LOGO CUPS AND LIDS	12
	3.3 Logo Hot Cups and Lids Description	12
	3.4 Manufacturer of Hot Cups	12
	3.5 Manufacturer of Hot Lids	12
	3.6 Stix-to-Go – Plug for Hot Cup Lid	12
	3.7 Cup, Lid, Stix Ordering	12
	3.8 Logo Cold Cups and Lids Description	13
	3.9 Manufacturer	13
	3.10 Cold Cup Ordering	13
	STRAWS	
	3:11 Straw Ordering	13
<b>4</b>	<b>ESPRESSO MACHINES</b>	<b>14</b>
	4.1 Espresso Machines	14
	4.2 Make and Model – Must be Purchased through The Human Bean	14
	4.3 Service	14
	4.4 General Maintenance and Cleaning	14
	4.5 Settings	15
	4.6 Timing and Quantity Log	15
	ESPRESSO WITH MILK DRINKS	15
	4.7 Espresso with Milk Types	15
	4.8 Vendor Specifications	16
	4.9 Storage and Temperature	16
	FLAVORED ESPRESSO DRINKS	17
	4.10 Syrup Brands	17
<b>5</b>	<b>BREWED COFFEE AND MACHINES</b>	<b>18</b>
	BREWER AND GRINDER	18
	5.1 Grinder Make and Model – Must be Purchased through The Human Bean	18
	5.2 Grinder Settings and Maintenance – See <b>Appendix C</b> for detailed manual	18
	5.3 Brewer Make and Model – Must be Purchased through The Human Bean	18
	5.4 Brewer Settings and Maintenance – See <b>Appendix D</b> for detailed manual	18
	5.5 Brewer Filters- 15 x 5 ½ GEM Filters.-6-101	18
	5.6 Ordering	18
	BREWED COFFEE	18
	5.7 Coffee Sleeves	18
<b>6</b>	<b>STEVEN SMITH TEAMAKER</b>	<b>18</b>

6.1 Hot Tea:.....	18
6.2 Iced Tea.....	19
6.3 Ordering Tea:.....	19
<b>7 GRANITA .....</b>	<b>20</b>
MACHINE SPECIFICATIONS .....	20
7.1 Machine Make and Model – Must be Purchased from The Human Bean .....	20
7.2 General Cleaning and Maintenance – See <b>Appendix E</b> for detailed manual.....	20
<b>8 SMOOTHIES .....</b>	<b>20</b>
MACHINE SPECIFICATIONS .....	20
8.1 Machine Make and Model – Must be Purchased from The Human Bean.....	20
8.2 General Cleaning and Maintenance – See <b>Appendix F</b> for detailed manual.....	20
8.3 Ordering Smoothie Product .....	20
<b>9 APPROVED DRINK LIST .....</b>	<b>21</b>
<b>10 APPROVED ENERGY DRINK LIST.....</b>	<b>23</b>
<b>11 FOOD OPTIONS .....</b>	<b>23</b>
11.1 Approved Food Items.....	23
11.2 Approved Vendors.....	24
11.3 New Supplier Approval .....	24
<b>12 INVENTORY.....</b>	<b>25</b>
12.1 Required Inventory Items.....	25
<b>13 PROMOTIONAL AND PREMIUM MATERIALS .....</b>	<b>27</b>
13.1 Apparel.....	27
13.2 Drinkware.....	27
13.3 The Human Bean Rewards App.....	28
13.4 Gift Cards .....	29
<b>14 MARKETING .....</b>	<b>30</b>
14.1 Introduction .....	30
14.2 Annual Brand-Wide Required Promotions.....	30
14.3 Local Store Marketing.....	31
14.4 Artwork and Logos.....	31
14.5 The Human Bean Trademark and Logo Usage.....	32
14.6 Franchisee Website and Social Media Policy.....	34
<b>15 EQUIPMENT .....</b>	<b>36</b>
REQUIRED EQUIPMENT PURCHASES FROM THE HUMAN BEAN SUPPORT CENTER.....	36
15.1 Egro Espresso Machine .....	36
15.2 Bunn Grinder.....	36
15.3 Wilbur Curtis G4 Intellifresh Brew System.....	36
15.4 Hamilton Beach Blender .....	36
15.5 Taylor 340D Granita Machine with Spinner Kit.....	37
15.6 MerryChef eikon e2s Trend Exterior .....	37
OPTIONAL THBSC EQUIPMENT PURCHASES.....	37
15.7 True Undercounter Refrigerator TUC-60-HC.....	37
15.8 True T-49-HC Upright Freezer.....	37

<b>1</b>	<b>OUR CORE MENU.....</b>	<b>5</b>
<b>2</b>	<b>OUR BEANS.....</b>	<b>10</b>
	2.1 Type.....	10
	2.2 Ordering Coffee.....	10
	2.3 Portland Coffee Roasters Freshness and Recommended Shelf-Life.....	11
<b>3</b>	<b>OUR PRODUCTS – GENERAL.....</b>	<b>12</b>
	CHOCOLATE COVERED ESPRESSO BEANS.....	12
	3.1 Description.....	12
	3.2 Storage Bulk.....	12
	LOGO CUPS AND LIDS.....	12
	3.3 Logo Hot Cups and Lids Description.....	12
	3.4 Manufacturer of Hot Cups.....	12
	3.5 Manufacturer of Hot Lids.....	12
	3.6 Stix-to-Go – Plug for Hot Cup Lid.....	12
	3.7 Cup, Lid, Stix Ordering.....	12
	3.8 Logo Cold Cups and Lids Description.....	13
	3.9 Manufacturer.....	13
	3.10 Cold Cup Ordering.....	13
	STRAWS.....	13
	3.11.....	13
	Straw Ordering.....	13
<b>4</b>	<b>ESPRESSO MACHINES.....</b>	<b>14</b>
	4.1 Espresso Machines.....	14
	4.2 Make and Model – Must be Purchased through The Human Bean.....	14
	4.3 Service.....	14
	4.4 General Maintenance and Cleaning.....	14
	4.5 Settings.....	15
	4.6 Timing and Quantity Log.....	15
	ESPRESSO WITH MILK DRINKS.....	15
	4.7 Espresso with Milk Types.....	15
	4.8 Vendor Specifications.....	16
	4.9 Storage and Temperature.....	16
	FLAVORED ESPRESSO DRINKS.....	17
	4.10 Syrup Brands.....	17
<b>5</b>	<b>BREWED COFFEE AND MACHINES.....</b>	<b>18</b>
	BREWER AND GRINDER.....	18
	5.1 Grinder Make and Model – Must be Purchased through The Human Bean.....	18
	5.2 Grinder Settings and Maintenance – See Appendix C for detailed manual.....	18
	5.3 Brewer Make and Model – Must be Purchased through The Human Bean.....	18
	5.4 Brewer Settings and Maintenance – See Appendix D for detailed manual.....	18
	5.5 Brewer Filters- 15 x 5 ½ GEM Filters.-6-101.....	18
	5.6 Ordering.....	18
	BREWED COFFEE.....	18
	5.7 Coffee Sleeves.....	18
<b>6</b>	<b>STEVEN SMITH TEAMAKER.....</b>	<b>18</b>

6.1 Hot Tea .....	18
6.2 Iced Tea .....	18
6.3 Ordering Tea .....	18
<b>7 GRANITA .....</b>	<b>19</b>
MACHINE SPECIFICATIONS .....	19
7.1 Machine Make and Model – Must be Purchased from The Human Bean .....	19
7.2 General Cleaning and Maintenance – See Appendix E for detailed manual .....	19
<b>8 SMOOTHIES .....</b>	<b>19</b>
MACHINE SPECIFICATIONS .....	19
8.1 Machine Make and Model – Purchased from THB .....	19
8.2 General Cleaning and Maintenance – See Appendix F for detailed manual .....	19
8.3 Ordering Smoothie Product .....	19
<b>9 APPROVED DRINK LIST .....</b>	<b>20</b>
<b>10 APPROVED ENERGY DRINK LIST .....</b>	<b>20</b>
<b>11 FOOD OPTIONS .....</b>	<b>20</b>
11.1 Approved Food Items .....	23
11.2 Approved Vendors .....	20
11.3 New Supplier Approval .....	21
<b>12 INVENTORY .....</b>	<b>22</b>
12.1 Required Inventory Items .....	22
<b>13 PROMOTIONAL AND PREMIUM MATERIALS .....</b>	<b>24</b>
13.1 Apparel .....	24
13.2 Drinkware .....	24
13.3 Loyalty Rewards App by Incentivio .....	25
13.4 Gift Cards .....	26
<b>14 MARKETING .....</b>	<b>27</b>
14.1 Introduction .....	27
14.2 Annual Brand-Wide Required Promotions .....	2
14.3 Local Store Marketing .....	27
14.4 Artwork and Logos .....	28
14.5 The Human Bean Trademark and Logo Usage .....	29
14.6 Franchisee Website and Social Media Policy .....	31
<b>15 EQUIPMENT .....</b>	<b>32</b>
REQUIRED EQUIPMENT PURCHASES FROM THE HUMAN BEAN SUPPORT CENTER .....	32
15.1 Egro Espresso Machine .....	32
15.2 Bunn Grinder .....	32
15.3 Wilbur Curtis G4 Intellifresh Brew System .....	32
15.4 Hamilton Beach Blender .....	32
15.5 Taylor 340D Granita Machine with Spinner Kit .....	33
15.6 MerryChefeikon e2s Trend Exterior .....	33
OPTIONAL THBSC EQUIPMENT PURCHASES .....	33
15.7 True Undercounter Refrigerator TUC-60-HC .....	33
15.8 True T-49-HC Upright Freezer .....	33

15.9	Manitowoc Undercounter Ice Machine UYF3010A.....	33
15.10	Manitowoc Remote Condensing Ice Machine.....	33
	EQUIPMENT SHIPMENT AND TRANSIT .....	33
<b>16</b>	<b>OTHER EQUIPMENT .....</b>	<b>34</b>
16.1	Walk-in Cooler .....	34
16.2	Point of Sale System - Toast.....	34
<b>17</b>	<b>GENERAL OPERATING STANDARDS .....</b>	<b>35</b>
17.1	Evaluation - Facility Pride Guide .....	35
17.2	Personal Hygiene.....	35
17.3	Cleanliness.....	35
17.4	Foodborne Illness .....	35
17.5	Customer Service.....	36
17.6	Staffing Level .....	37
17.7	Dress Code, Tattoos, and Piercings.....	37
<b>18</b>	<b>TRAINING .....</b>	<b>38</b>
18.1	Employee Retention.....	39
18.2	The Interview.....	39
18.3	Legal Interviewing Guidelines .....	39
18.4	Training Program.....	40
18.5	Supervision.....	40
18.6	Disciplinary Action.....	41
18.7	Expectations of Store Managers.....	41
<b>19</b>	<b>CONSOLIDATED TRAINING MANUAL - See <i>Appendix A</i> .....</b>	<b>42</b>
<b>20</b>	<b>APPENDIX A - CONSOLIDATED MANUAL .....</b>	<b>42</b>
<b>21</b>	<b>APPENDIX B - RANCILIO EGRO MANUAL .....</b>	<b>42</b>
<b>22</b>	<b>APPENDIX C - BUNN GRINDER MANUAL .....</b>	<b>42</b>
<b>23</b>	<b>APPENDIX D - CURTIS BREWER MANUAL .....</b>	<b>42</b>
<b>24</b>	<b>APPENDIX E - TAYLOR GRANITA MACHINE MANUAL .....</b>	<b>42</b>
<b>25</b>	<b>APPENDIX F - HAMILTON BEACH BLENDER MANUALS.....</b>	<b>42</b>
<b>26</b>	<b>APPENDIX G - HAMILTON BEACH .....</b>	<b>42</b>
<b>27</b>	<b>APPENDIX H - DSL - TAYLOR AGREEMENT.....</b>	<b>42</b>
<b>28</b>	<b>APPENDIX I - TRUE REFRIGERATOR MODEL: TUC-27-HC MANUAL.....</b>	<b>42</b>
<b>29</b>	<b>APPENDIX J - MERRY CHEF CONNEX 12 MANUAL.....</b>	<b>42</b>

Our agent for service of process in Oregon is:

David Silverman, Silverman Law LLC  
1050 SW 6th Ave Ste 1100  
Portland, OR 97204  
503-219-3750

Our agent for service of process in New York is:

Secretary of State  
99 Washington Avenue  
Albany, NY 12231  
212-416-8222

Our agent for service of process in North Dakota is:

Securities Commissioner  
State Capitol, 5th Floor, Dept. 414  
600 E. Boulevard Ave.  
Bismarck, ND 58505  
(701) 328-4712

Our agent for service of process in South Dakota is:

Director, Division of Securities  
~~118 West Capitol~~ 124 S. Euclid Ave.  
Pierre, SD 57501-2017  
(605) 773 4013

Our agent for service of process in Virginia is:

Clerk of the State Corporation Commission  
1300 E. Main St., 1st Floor  
Richmond, VA 23219  
(804) 371-9051

Our agent for service of process in Washington is:

Administrator of Securities  
150 Israel Road SW  
Tumwater WA 98501  
(360) 902-8760

Our agent for service of process in Wisconsin is:

Director of the Dept. of Financial Institutions  
201 West Washington Ave.  
Madison, WI 53703  
(608) 266 0448

**EXHIBIT F**

**LIST OF STATE ADMINISTRATORS**

<p><u>California</u> Commissioner of Financial Protection and Innovation Dept. of Financial Protection and Innovation One Sansome St., Ste. 600 San Francisco, CA 94104 (866) 275-2677</p>	<p><u>North Dakota</u> North Dakota Securities Dept. State Capitol, 5th Floor, Dept. 414 600 E. Boulevard Ave. Bismarck, ND 58505 (701) 328-4712</p>
<p><u>Hawaii</u> Hawaii Commissioner of Securities State of Hawaii Dept Commerce &amp; Consumer Affairs Business Registration Division – Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722</p>	<p><u>Oregon</u> Corporate Securities Section Dept. of Insurance &amp; Finance Labor &amp; Industries Bldg. Salem, OR 97310 (503) 378-4387</p>
<p><u>Illinois</u> Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465</p>	<p><u>Rhode Island</u> Dept. Business Regulation 1511 Pontiac Ave., Bldg. 69-1 Cranston, RI 02920 (401) 277-3048</p>
<p><u>Indiana</u> Franchise Division Office of Secretary of State 302 West Washington, Room E-111 Indianapolis, IN 46204 (317) 232-6681</p>	<p><u>South Dakota</u> Franchise Office Division of Securities <del>118 West Capitol</del> 124 S. Euclid Ave. Pierre, SD 57501-2017 (605) 773-4013</p>
<p><u>Maryland</u> Office of the Attorney General Division of Securities 200 St. Paul Place, 20<sup>th</sup> Floor Baltimore, Maryland 21202-2020 (410) 576-6360</p>	<p><u>Virginia:</u> Securities &amp; Retail Franchising Div. State Corporation Commission 1300 E. Main St. Richmond, VA 23219 (804) 371-9051</p>

**EXHIBIT G**  
**AUDITED FINANCIALS**  
**2024-2022**

## **Casey Hawkins, Inc.**

### **Financial Statements**

*As of December 31, 2024 and 2023  
and for the years ended December 31, 2024, 2023 and 2022*

---

Casey Hawkins, Inc.  
Financial Statements  
As of December 31, 2024 and 2023  
and for the years ended December 31, 2024, 2023 and 2022  
Table of Contents

Independent Auditor's Reports.....	3
Financial Statements	
Balance Sheets.....	5
Statements of Operations.....	7
Statements of Changes in Stockholders' Equity (Deficit).....	9
Statements of Cash Flows.....	10
Notes to Financial Statements.....	11



**Dallas Office**  
2425 N Central Expy.  
**Suite 200**  
Richardson, TX 75080  
Phone 972 238 5900  
Fax 972 692 5357

[www.agllp-cpa.com](http://www.agllp-cpa.com)

### **Independent Auditor's Report**

To the Board of Directors and Shareholders  
Casey Hawkins, Inc.  
Medford, Oregon

#### **Report on the Financial Statements**

##### ***Opinion***

We have audited the financial statements of Casey Hawkins, Inc. (the "Company"), which comprises the balance sheets as of December 31, 2024 and 2023, and the related statements of operations, changes in stockholders' equity (deficit), and cash flows for the years ended December 31, 2024, 2023 and 2022, and related notes to the financial statements.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations, changes in stockholders' equity (deficit) and cash flows for the years ended December 31, 2024 and 2022 in accordance with accounting principles generally accepted in the United States of America.

##### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Casey Hawkins, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

##### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Casey Hawkins, Inc.'s ability to continue as a going concern within one year from the date the financial statements are issued.

##### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Casey Hawkins, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used, and the reasonableness of, significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Casey Hawkins, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**A+G LLP**

Dallas, Texas  
March 5, 2025

**Balance Sheets**

As of December 31,

**2024****2023**

---

**Assets**

## Current assets:

Cash and cash equivalents	<b>496,937</b>	548,779
Restricted cash	<b>734,680</b>	884,656
Accounts receivable, net	<b>195,039</b>	297,026
Unbilled revenue	<b>595,191</b>	526,929
Inventory	<b>1,118,887</b>	1,501,548
Prepaid expense and other current assets	<b>59,885</b>	46,335
Total current assets	<b>3,200,619</b>	3,805,273
Property and equipment, net	<b>510,103</b>	602,145
Operating lease right-of-use assets	<b>158,386</b>	326,752
Intangible assets, net	<b>165,000</b>	165,000
<b>Total assets</b>	<b>4,034,108</b>	4,899,170

---

---

---

See accompanying notes and independent auditor's report.5

---

**Balance Sheets (continued)**

As of December 31,	2024	2023
<b>Liabilities and Stockholders' Deficit</b>		
Current liabilities:		
Accounts payable and accrued expenses	497,467	669,681
App fund payable	635,236	828,927
Gift card payable	217,797	217,526
Brand fund liability	96,904	108,707
Refundable franchise fees	440,000	730,000
Customer deposits	277,755	477,065
Deferred revenue	250,886	254,608
Operating lease liability	160,565	261,118
Current portion of long-term debt	-	1,458
Total current liabilities	2,576,610	3,549,090
Deferred revenue, net of current portion	1,856,930	1,753,609
Operating lease liabilities, net of current portion	-	66,381
Total liabilities	4,433,540	5,369,080
Stockholders' deficit:		
Common stock, no par value, 1,000 shares authorized and 113.6 and 111.7 shares issued and outstanding as of December 31, 2024 and 2023	-	-
Additional paid-in capital	204,938	204,938
Retained deficit	(604,370)	(674,848)
Total stockholders' deficit	(399,432)	(469,910)
<b>Total liabilities and stockholders' deficit</b>	<b>4,034,108</b>	<b>4,899,170</b>

See accompanying notes and independent auditor's report.

6

**Statements of Operations**

For the years ended December 31,	2024	2023	2022
<b>Revenues:</b>			
Equipment revenue	2,117,188	2,421,620	1,393,461
Product revenue	1,285,550	1,133,242	1,139,956
Repair and parts revenue	97,661	117,061	102,092
Shipping revenue	163,588	123,700	142,996
Rebate revenue	6,579,391	5,430,313	4,909,070
Franchise fee revenue	531,401	639,728	317,407
Brand fund revenue	1,310,177	1,182,973	1,100,703
Other revenue	59,819	1,578	3,898
Total revenues	12,144,775	11,050,215	9,109,583
<b>Costs of goods sold:</b>			
Equipment costs	1,754,487	1,915,486	1,124,225
Product costs	993,029	960,041	1,108,035
Repair and parts costs	113,588	143,830	128,755
Shipping costs	204,589	174,399	218,426
Other costs	57,764	62,400	105,216
Total costs of goods sold	3,123,457	3,256,156	2,684,657
Gross profit	9,021,318	7,794,059	6,424,926

See accompanying notes and independent auditor's report.

7

**Statements of Operations (continued)**

For the years ended December 31,	2024	2023	2022
General and administrative expenses:			
Depreciation	123,324	115,445	104,613
Advertising and marketing	387,067	313,296	269,983
Brand fund expense	1,310,177	1,182,973	1,100,703
Personnel cost	3,809,388	3,337,153	2,873,339
Professional fees	143,812	335,867	178,731
Operating lease costs	365,264	231,986	221,596
Repairs and maintenance	89,736	69,045	59,209
Travel and lodging	388,633	548,622	436,424
Utilities	38,533	32,773	25,243
Other general and administrative expenses	758,147	587,887	438,194
Total general and administrative expenses	7,414,081	6,755,047	5,708,035
Income from operations	1,607,237	1,039,012	716,891
Other income (expense):			
Interest Income	13,248	13,933	-
Interest expense	(7)	(269)	(775)
Loss on lease termination	-	(3,857)	-
Total other income (expense)	13,241	9,807	(775)
<b>Net income</b>	<b>1,620,478</b>	<b>1,048,819</b>	<b>716,116</b>

See accompanying notes and independent auditor's report.

8

---

**Statements of Changes in Stockholders' Equity (Deficit)**


---

	Common Stock		Additional Paid-In Capital	Retained Earnings (Deficit)	Total Stockholder's Equity (Deficit)
	Shares	Amount			
Balance at December 31, 2021	108.1	\$ -	\$ 204,938	\$ 262,717	\$ 467,655
Net income	-	-	-	716,116	716,116
Issuance of common stock	1.8	-	-	-	-
Distributions to stockholders	-	-	-	(1,600,500)	(1,600,500)
Balance at December 31, 2022	109.9	\$ -	\$ 204,938	\$ (621,667)	\$ (416,729)
Net income	-	-	-	1,048,819	1,048,819
Issuance of common stock	1.8	-	-	-	-
Distributions to stockholders	-	-	-	(1,102,000)	(1,102,000)
Balance at December 31, 2023	111.7	\$ -	\$ 204,938	\$ (674,848)	\$ (469,910)
Net income	-	-	-	1,620,478	1,620,478
Issuance of common stock	1.9	-	-	-	-
Distributions to stockholders	-	-	-	(1,550,000)	(1,550,000)
<b>Balance at December 31, 2024</b>	<b>113.6</b>	<b>\$ -</b>	<b>\$ 204,938</b>	<b>\$ (604,370)</b>	<b>\$ (399,432)</b>

---

See accompanying notes and independent auditor's report.

9

**Statements of Cash Flows**

For the years ended December 31,	2024	2023	2022
<b>Operating Activities</b>			
Net income	1,620,478	1,048,819	716,116
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	123,324	115,445	104,613
Provision for credit losses	477	14,366	-
Loss on lease termination	-	3,857	-
Non-cash operating lease costs	1,432	(3,110)	-
Changes in operating assets and liabilities:			
Restricted cash	149,976	250,877	(427,488)
Accounts receivable	101,510	(70,466)	152,617
Unbilled revenue	(68,262)	(48,593)	(38,541)
Inventory	382,661	286,061	(1,015,977)
Prepaid expense and other current assets	(13,550)	126,803	(164,148)
Accounts payable and accrued expenses	(172,214)	(113,144)	502,423
App fund payable	(193,691)	51,900	115,521
Gift card payable	271	24,198	134
Brand fund liability	(11,803)	(309,331)	289,861
Refundable franchise fees	(290,000)	(354,000)	292,500
Customer deposits	(199,310)	(126,255)	603,320
Deferred revenue	99,599	226,772	525,343
Net cash provided by operating activities	1,530,898	1,124,199	1,656,294
<b>Investing Activities</b>			
Purchases of property and equipment	(31,282)	(112,683)	(81,605)
Net cash used by investing activities	(31,282)	(112,683)	(81,605)
<b>Financing Activities</b>			
Payments on long-term debt	(1,458)	(15,844)	(16,803)
Distributions to stockholders	(1,550,000)	(1,102,000)	(1,600,500)
Net cash used by financing activities	(1,551,458)	(1,117,844)	(1,617,303)
Net decrease in cash and cash equivalents	(51,842)	(106,328)	(42,614)
Cash and cash equivalents, beginning of year	548,779	655,107	697,721
Cash and cash equivalents, end of year	496,937	548,779	655,107
<b>Supplemental Disclosure of Cash Flow Information</b>			
Interest paid	\$ 7	\$ 269	\$ 775

See accompanying notes and independent auditor's report.

10

## NOTES TO FINANCIAL STATEMENTS

**1. Organization and Operations****Description of Business**

Casey Hawkins, Inc. was incorporated in the State of Oregon on February 4, 2002. References in these financial statement footnotes to "Company", "we", "us", and "our" refer to the business of Casey Hawkins, Inc.

The Company sells equipment, espresso, and other coffee products used in the operation of drive-thru retail coffee operations. The Company also offers franchises for the operation of drive-thru retail coffee outlets under its registered trademark "The Human Bean." Due to franchise laws, franchises are offered in most, but not all, states. The Company receives rebates on the sale of coffee and other beverage products, paper products, related supplies from the suppliers to the Human Bean (THB) outlets. The Company also receives advertising incentives from suppliers.

The table below reflects the status and changes in franchised outlets and affiliate owned outlets for the years ended December 31, 2024, 2023 and 2022.

**Franchised Outlets**

<u>Year</u>	<u>Start of Year</u>	<u>Opened</u>	<u>Closed or Ceased Operations – Other reasons</u>	<u>End of Year</u>
2022	116	20	3	133
2023	133	22	9	146
2024	146	22	1	167

**Affiliate Owned Outlets**

<u>Year</u>	<u>Start of Year</u>	<u>Opened</u>	<u>Closed or Ceased Operations – Other reasons</u>	<u>End of Year</u>
2022	13	0	1	12
2023	12	0	0	12
2024	12	0	0	12

**Going Concern**

Management has evaluated our ability to continue as a going concern as of December 31, 2024. Due to the positive income and cash flows from operations for the year ended December 31, 2024, we have concluded that there is not significant doubt about our ability to continue as a going concern.

**2. Significant Accounting Policies****Basis of Accounting**

The Company uses the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States ("U.S. GAAP"). Under this method, revenue is recognized when earned and expenses are recognized as incurred.

**Use of Estimates**

The preparation of the financial statements and accompanying notes in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Estimates are used for the following, among others: revenue recognition, allowance for credit losses, useful lives for depreciation of long-lived assets and leases. Actual results could differ from those estimates.

See independent auditor's report

11

NOTES TO FINANCIAL STATEMENTS

---

**2. Significant Accounting Policies (continued)**

**Comparative Financial Statements**

Certain prior period amounts have been reclassified to conform to current year presentation.

**Fair Value**

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company's financial instruments consist primarily of cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued expenses. The carrying values of cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued expenses are considered to be representative of their respective fair values due to the short-term nature of these instruments. Based on borrowing rates currently available to the Company for loans with similar terms, the carrying value of long-term debt approximates fair value.

Assets and liabilities that are carried at fair value are classified and disclosed in one of the following three categories:

**Level 1:** Quoted market prices in active markets for identical assets and liabilities.

**Level 2:** Observable market-based inputs or unobservable inputs that are corroborated by market data.

**Level 3:** Unobservable inputs that are not corroborated by market data

Non-recurring fair value measurements include the assessment of property and equipment and intangible assets for impairment. As there is no corroborating market activity to support the assumptions used, the Company has designated these estimates as Level 3.

**Cash and Cash Equivalents**

For purposes of reporting cash flows, all highly liquid investments with a maturity of three months or less are considered cash equivalents.

**Restricted Cash**

Restricted cash consists of funds related to the Brand Fund and App Fund. Funds collected by the Company for the Brand Fund and for the App Fund are maintained in separate restricted cash accounts to cover the expenditures required to be made under those respective programs and are not available to be used for the normal recurring operations of the Company.

**Accounts Receivable**

The balance in accounts receivable consists of sales of equipment and products and are stated at the amount the Company expects to collect. The Company maintains allowances for credit losses for estimated losses resulting from the inability of its customers to make required payments. Management considers the following factors when determining the collectability of specific customer accounts: customer credit worthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms. Past due balance over 90 days and other higher risk amounts are reviewed individually for collectability. If the financial condition of the Company's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to an allowance. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for credit losses.

---

See independent auditor's report

12

## NOTES TO FINANCIAL STATEMENTS

**2. Significant Accounting Policies (continued)****Inventory**

Inventory consists of equipment, products and parts, which are valued at the lower cost or market, and are expensed in costs of goods sold using the weighted-average cost method when provided to its franchisees.

**Property and Equipment**

Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the following estimated useful lives of the respective asset:

	<u>Estimated Useful Life</u>
Furniture and equipment	5-7 Years
Automobile	5 Years
Leasehold improvements	5-39 Years

Maintenance and repair costs are expensed in the period incurred. Expenditures for purchases and improvements that extend the useful lives of property and equipment are capitalized.

**Trademark**

The Company's affiliate started using a version of the mark THE HUMAN BEAN in 1998, and the Company applied for registration of that mark in 2001. In November 2002, the Company settled a claim by a Colorado resident alleging trademark infringement and acquired the plaintiff's rights in his federal trademark registration for THE HUMAN BEAN by a payment of \$165,000. The value of any rights acquired in the settlement are not being amortized. The Company believes that no material impairment of trademark carrying values exists at December 31, 2024 and 2023, respectively.

**Impairment of Long-Lived Assets**

The Company assesses potential impairment of its long-lived assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors that the Company considers important which could trigger an impairment review include, but are not limited to, significant under-performance relative to historical or projected future operating results, significant changes in the manner of use of the acquired assets or the strategy for the Company's overall business, and significant industry or economic trends. When the Company determines that the carrying value of the long-lived assets may not be recoverable based upon the existence of one or more of the above indicators, the Company determines the recoverability by comparing the carrying amount of the asset to net future undiscounted cash flows that the asset is expected to generate. If the carrying value is not recoverable, an impairment is recognized in the amount by which the carrying amount exceeds the fair value of the asset. During the years ended December 31, 2024, 2023 and 2022, no impairment charges were recognized related to long-lived assets.

**Gift Card Liability**

The Company sells gift cards to its customers through its corporate office. The Company's gift cards do not have an expiration date and are not redeemable for cash except where required by law. Until redemption, outstanding customer balances are recorded as a liability. An obligation is recorded at the time of sale of the gift card and it is included in gift card payable on the Company's balance sheets. As of December 31, 2024 and 2023, the Company had liabilities of \$217,797 and \$217,526 in gift card payable, respectively. No gift card breakage has been recognized for the years ended December 31, 2024, 2023 and 2022.

See independent auditor's report

13

## NOTES TO FINANCIAL STATEMENTS

**2. Significant Accounting Policies (continued)****Revenue Recognition****Equipment, product, repair and parts, and shipping revenue**

The Company sells all coffee and espresso beans, all coffee bean or espresso bean products, all logo cups and lids, and some of the other supplies and equipment required for the operations of the THB outlets to its franchisees. Equipment revenue, product revenue, and related shipping revenue are recognized when the products are shipped. Repair and parts revenue is recognized when the services are completed.

**Rebate revenue**

The Company receives supplier rebates based on purchases from preferred vendors by its franchisees and records income when such rebates are earned and collection is probable. Rebates totaling \$6,579,391, \$5,430,313 and \$4,909,070 were recognized in rebate revenue for the years ended December 31, 2024, 2023 and 2022, respectively. Rebates earned but not yet billed to suppliers are included in unbilled revenue on the balance sheets.

**Franchise fee revenue**

The Company recognizes revenue in accordance with Financial Accounting Standards Board ("FASB") ASC 606-10-25, *Revenue from Contracts with Customers*. In January 2021, the FASB issued ASU 2021-02, "Franchisors – Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient." ASU 2021-02 provides a practical expedient that simplifies the application of ASC 606 about identifying performance obligations and permits franchisors that are not public entities to account for pre-opening services listed within the guidance as distinct from the franchise license. The Company has adopted ASU 2021-02 and implemented the guidance on its revenue recognition policy.

The Company sells individual franchises. The franchise agreements typically require the franchisee to pay an initial fee prior to opening the respective location(s). If the franchise agreement is terminated for the failure to open a drive-thru within eighteen months of signing, the initial franchise fee is refundable with the exception of the \$15,000 non-refundable deposit which includes a non-refundable site analysis of \$5,000. A franchise agreement establishes a THB outlet developed in one defined geographic area and provides for a ten-year initial term with the option to renew for additional ten-year terms, subject to conditions. With the Company's approval, a franchisee may generally renew the franchise agreement upon its expiration. The franchise agreement is not assignable, but if approved, a franchisee may transfer the franchised business to a new or existing franchisee. A transfer fee of \$5,000 is payable by either the current or the new franchisee. The new franchisee signs a new franchise agreement, and the old franchise agreement terminates.

Under the terms of our franchise agreements, the Company typically promises to provide franchise rights, pre-opening services such as assistance with site selections, operational materials, functional training courses, and ongoing services, such as management of the Brand Fund. The Company considers certain pre-opening activities and the franchise rights and related ongoing services to represent two separate performance obligations. The franchise fee revenue has been allocated to the two separate performance obligations using a residual approach. The Company has estimated the value of performance obligations related to certain pre-opening activities deemed to be distinct based on cost plus an applicable margin, and assigned the remaining amount of the initial franchise fee to the franchise rights and ongoing services. Revenue allocated to preopening activities is recognized when (or as) these services are performed, no later than the opening date. Revenue allocated to franchise rights and ongoing services is recognized on a straight-line basis over the contractual term of the franchise agreement as this ensures that revenue recognition aligns with the customer's access to the franchise right. Renewal fees are recognized over the renewal term of the respective franchise from the start of the renewal period. Transfer fees are recognized over the contractual term of the franchise agreement.

---

See independent auditor's report

14

NOTES TO FINANCIAL STATEMENTS

---

**2. Significant Accounting Policies (continued)****Revenue Recognition (continued)****Brand fund revenue**

The Company started its brand fund in 2021 to promote general brand recognition of the services, and products sold by its franchisees and affiliates. Funds are collected from franchisees and affiliates based on an agreed-upon percentage of their monthly gross revenue and used to pay costs of, or associated with, marketing, advertising, digital marketing, contact tracing, promotions, brand building, commercial business development, retail growth strategies including merchandising, the look and feel of displays, merchandise, public relations and costs to administer the brand fund. Although brand fund revenue is not a separate performance obligation distinct from the underlying franchise right, the Company is primarily responsible for the fulfillment and control of the brand fund services. As a result, the Company records brand fund contributions in revenue and related brand fund expenditures in expenses in the statements of operations. When brand fund revenue exceeds the related brand fund expenses in a reporting period, brand fund expenses are accrued up to the amount of the brand fund revenue recognized. Brand fund revenue is contributed by franchisees and affiliates based on one percent of the THB outlets' gross sales and is recognized as earned.

**Other revenue**

Other revenue consists of rental revenue and other fee revenue and is recognized when earned.

**Advertising and marketing**

All costs associated with advertising and marketing are expensed in the period incurred.

**Compensated Absences**

The Company's personnel policy provides employees with regular leave for any approved personal reasons. Holidays, leaves of absence, jury duty, or military duty is not considered personal leave and is not counted against employees accrued leave. Employees with at least one year of service accrue 80 hours of leave on January 1. Any unused leave of absence as of December 31, is paid to the employees, on their first check in January. As of December 31, 2024 and 2023, the Company accrued an amount of \$43,992 and \$34,467 for any unused leave of absence, respectively. These amounts are included in accounts payable and accrued expenses on the balance sheets.

**Leases**

The company accounts for leases under ASC 842. Lease arrangements are determined at the inception of the contract. Operating leases are included in operating lease right-of-use ("ROU") assets, operating lease liabilities and long-term operating lease liabilities on the balance sheet. Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most leases do not provide an implicit rate, we use an incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. The operating lease ROU assets also includes any lease payments made and excludes lease incentives and initial direct costs incurred. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

---

See independent auditor's report

15

---

NOTES TO FINANCIAL STATEMENTS

---

**2. Significant Accounting Policies (continued)**

**Income Taxes**

The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay Federal corporate income taxes on its taxable income. Instead, the stockholders are taxed on the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements. The Company recognizes income tax related interest and penalties in interest expense and other general and administrative expenses, respectively.

The Company files income tax returns in the U.S. federal jurisdiction and the states in which it operates. The Company is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Company believes it is no longer subject to income tax examinations for years prior to 2021.

In accordance with FASB ASC 740-10, *Income Taxes*, the Company is required to disclose uncertain tax positions. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Company has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Company believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Company's financial condition, results of operations or cash flows. Management's determination of the taxable status of the entity, including its status as an S Corporation, a pass-through entity, is a tax position that is subject to consideration of uncertainty. The Company believes it has complied with all regulations required to maintain its status as an S Corporation and more likely than not, this status would hold up under examination. Accordingly, the Company has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2024 and December 31, 2023.

**Recently Adopted Accounting Pronouncements**

In March 2023, the FASB issued ASU No. 2023-01, "Leases (Topic 842): Common Control Arrangements", and subsequent amendments to the initial guidance, ASU No. 2016-02. This accounting standard updates response to private company's stakeholders concerns about applying Topic 842 to related party arrangements between entities under common control. ASU No. 2023-01 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2023 with early adoption permitted. The Company adopted this standard as of January 1, 2024, and it did not have a material impact on its financial statements.

**Recent Accounting Pronouncements**

We reviewed other significant newly-issued accounting pronouncements and concluded that they either are not applicable to our operations or that no material effect is expected on our financial statements as a result of future adoption.

**Subsequent Events**

In accordance with FASB ASC 855, Subsequent Events, the Company has evaluated subsequent events through March 5, 2025, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

**3. Certain Significant Risks and Uncertainties**

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risk on cash or cash equivalents. The Company maintains its deposits in two financial institutions.

---

See independent auditor's report

16

## NOTES TO FINANCIAL STATEMENTS

**4. Revenue and Related Contract Balances****Disaggregation of Revenue**

The following table disaggregates revenue by source for the years ended December 31:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Point in time:</b>			
Equipment revenue	\$ 2,117,188	\$ 2,421,620	\$ 1,393,461
Product revenue	1,285,550	1,133,242	1,139,956
Repair and parts revenue	97,661	117,061	102,092
Shipping revenue	163,588	123,700	142,996
Rebate revenue	6,579,391	5,430,313	4,909,070
Franchise fee revenue	319,793	414,305	129,965
Brand fund revenue	1,310,177	1,182,973	1,100,703
Rental revenue	58,515	-	-
Other revenue	1,304	1,578	3,898
Total point in time	<u>\$ 11,933,167</u>	<u>\$ 10,824,792</u>	<u>\$ 8,922,141</u>
<b>Over time:</b>			
Franchise fee revenue	211,608	225,423	187,442
Total revenues	<u>\$ 12,144,775</u>	<u>\$ 11,050,215</u>	<u>\$ 9,109,583</u>

**Contract Assets**

Contract assets consist of unbilled revenue. Unbilled revenue consists of rebate revenue and initial franchise fees earned from its customers for which a billing has not occurred.

**Contract Liabilities**

Contract liabilities consist of deferred revenue resulting from initial franchise fees, renewal fees and transfer fees paid by franchisees, which are recognized on a straight-line basis over the term of the franchise agreements. The Company classifies these contract liabilities as deferred revenue on the balance sheets. The following table reflects the change in contract liabilities for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Deferred revenue – beginning of year	\$ 2,008,217	\$ 1,781,445
Revenue recognized during the year	(531,401)	(639,728)
New deferrals and net change in refundable portion	631,000	842,750
Deferred revenue – end of year	<u>\$ 2,107,816</u>	<u>\$ 2,008,217</u>

The following table illustrates estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2024:

2025	\$ 250,886
2026	246,772
2027	244,555
2028	234,388
2029	219,160
Thereafter	912,055
Total	<u>\$ 2,107,816</u>

See independent auditor's report

17

## NOTES TO FINANCIAL STATEMENTS

**5. Accounts Receivable**

Accounts receivable consisted of the following at December 31:

	<b>2024</b>	2023
Accounts receivable	<b>\$ 195,039</b>	\$ 311,392
Less: allowance for credit losses	-	(14,366)
Accounts receivable, net	<b>\$ 195,039</b>	\$ 297,026

For the years ended December 31, 2023, 2022 and 2021, the Company recognized \$477, \$14,366 and \$0 credit loss expense related to accounts receivable, respectively.

The allowance for credit losses activity was as follows:

	<b>2024</b>	2023
Balance at beginning of year	<b>\$ 14,366</b>	\$ -
Provision for credit losses	477	14,366
Write-offs, net of recoveries	(14,843)	-
Balance at end of year	<b>\$ -</b>	\$ 14,366

**6. Property and Equipment**

The major classes of property and equipment consisted of the following at December 31:

	<b>2024</b>	2023
Furniture and equipment	<b>\$ 543,587</b>	\$ 512,305
Automobile	50,392	50,392
Leasehold improvements	497,650	497,650
Less: accumulated depreciation	(581,526)	(458,202)
Property and equipment, net	<b>\$ 510,103</b>	\$ 602,145

For the years ended December 31, 2024, 2023 and 2022, depreciation expense was \$123,324, \$115,445 and \$104,613, respectively.

**7. Leases**

The Company determines whether an arrangement is a lease at inception. The Company has elected to apply the short-term lease exception to all leases with a term of one year or less. Leases with an initial term of 12 months or less are not recorded on the balance sheet. Lease expense is recognized for these leases on a straight-line basis over the lease term.

Other than short-term leases, the Company has two operating leases for office and warehouse spaces, one storage space and one aircraft lease. Lease terms may include options to renew when it is reasonably certain that the Company will exercise that option. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In February 2023, the Company terminated one of its operating leases and entered in a new lease for additional office and warehouse spaces. The Company recognized a loss related to lease termination amounting to \$3,857 for the year ended December 31, 2023.

See independent auditor's report

18

## NOTES TO FINANCIAL STATEMENTS

**7. Leases (continued)**

In accordance with ASU 2021-09, the Company has elected to use to use a risk-free discount rate for the lease instead of its incremental borrowing rate, determined using a period comparable with that of the lease term for its operating leases. As most of the Company's leases do not provide an implicit rate, the Company uses a risk-free discount rate based on the information available on the commencement date in determining the present value of lease payments.

The component of operating lease costs for the years ended December 31, 2024, 2023 and 2022 were as follows:

	2024	2023	2022
Operating lease costs	\$ 363,828	\$ 231,986	\$ 221,596
Short-term lease costs	1,436	-	-
Operating lease costs, net	\$ 365,264	\$ 231,986	\$ 221,596

Supplemental cash flow information related to operating leases for the years ended December 31, 2024, 2023 and 2022:

	2024	2023	2022
<b>Operating cash flow information:</b>			
Cash paid for amounts included in the measurement of lease liabilities	\$ 362,396	\$ 235,096	\$ 221,596
<b>Non-cash activity:</b>			
Right-of-use assets obtained in exchange for new operating lease liability	\$ 230,252	\$ 208,072	\$ 742,550

The weighted average lease terms and discount rate information related to operating leases were as follows:

	2024	2023
Weighted average remaining lease term of operating leases	0.78 years	1.29 years
Weighted average discount rate of operating leases	3.86%	2.7%

The future maturities of operating lease liabilities as of December 31, 2024 was as follows:

December 31, 2025	\$ 163,032
Less: imputed interest	(2,467)
Total lease liabilities	\$ 160,565

See independent auditor's report

19

## NOTES TO FINANCIAL STATEMENTS

**8. Long-Term Debt**

For the years ended December 31, 2024 and 2023, the long-term debt consisted of the following:

	2024	2023
Note payable #1	\$ -	\$ 1,458
Less: current portion of long-term debt	-	(1,458)
Long-term debt, net	\$ -	\$ -

**Note Payable #1**

In December 2020, the Company entered in to an auto loan agreement with Mercedes-Benz Financial Services in the amount of \$50,392 to finance a 2020 Mercedes-Benz Sprinter. This loan is secured by the related transportation equipment, payable in monthly installments of \$1,465, including interest at 2.898 percent. This loan matured in December 2023 and was subsequently paid in full in January 2024.

**9. Related Party Transactions**

The Company conducts business with various entities affiliated by common ownership of the shareholders of the Company. The affiliate entities owned and operated 12, 12, and 12 drive-thru retail coffee outlets under the registered trademark "The Human Bean" in Oregon for the years ended December 31, 2024, 2023 and 2022, respectively. During the years ended December 31, 2024, 2023 and 2022, there were numerous sales to these drive-thrus as part of the ordinary course of business. For the years ended December 31, 2024, 2023 and 2022 the Company recognized \$344,857, \$340,649 and \$330,742, respectively, of revenue from these affiliates. In addition, these entities are not required to pay franchising fees.

As of December 31, 2024, the controlling stockholders of the Company owned 33.3% of Portland Roasting Holdings, LLC which supplied the Human Bean drive-thrus with various coffee products. For the years ended December 31, 2024, 2023 and 2022, the Company recognized \$1,571,046, \$1,532,172 and \$1,465,288 of rebate revenue from Portland Roasting Company, respectively. These rebates are included in rebate revenue in the statements of operations.

**10. Commitments and Contingencies****Litigation**

No legal actions or claims were pending against the Company that, in the opinion of management, would have a material effect on the financial condition, results of operations or liquidity of the Company.

**11. 401(k) Savings Plan**

The Company maintains a 401(k) retirement saving plan (the "Plan") for the benefit of eligible employees. Under terms of this plan, eligible employees are able to make contributions of their wages on a tax-deferred basis. Employee contributions are matched by the Company in accordance with the Plan up to a maximum of 3% of employee earnings plus 50% of what is contributed, up to the next 2%. For the years ended December 31, 2024, 2023 and 2022, the Company's employer matching contribution was \$100,870, \$89,906 and \$67,040, respectively.

## **Supplemental Unaudited Financial Statements**

These Supplemental Financial Statements have been prepared without an audit. Prospective franchisees or sellers of franchises should be advised that no independent certified public accountant has audited these figures or expressed an opinion with regard to their content or form.

## Casey Hawkins, Inc.

<b>Balance Sheets</b>	
	As of 5/31/2024
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	469,917
Restricted cash	898,004
Accounts receivable, net	644,547
Unbilled revenue	526,929
Inventory	1,573,236
Prepaid expense and other current assets	-
Total current assets	<u>4,112,632</u>
Property and equipment, net	570,527
Operating lease right-of-use assets	326,753
Intangible assets, net	165,000
<b>Total assets</b>	<b>5,174,912</b>
<b>Liabilities and Stockholders' Equity (Deficit)</b>	
Current liabilities:	
Accounts payable and accrued expenses	221,605
App fund payable	<del>772,632</del>
Gift card payable	185,000
Brand fund liability	139,763
Refundable franchise fees	730,000
Customer deposits	735,976
Deferred revenue	254,608
Operating lease liability	261,118
Current portion of long-term debt	1,458
Total current liabilities	<u>3,302,160</u>
Deferred revenue, net of current portion	1,753,609
Operating lease liabilities, net of current portion	66,381
Long-term debt, net of current portion	(1,461)
Total liabilities	<u>5,120,689</u>
Stockholders' equity (deficit):	
Common stock, no par value, 1,000 shares authorized and 109.9 and 108.1 shares issued and outstanding as of December 31, 2022 and 2021	1000
Additional paid-in capital	203,938
Retained earnings	(150,715)
Total stockholders' equity (deficit)	<u>53,223</u>
<b>Total liabilities and stockholders' equity (deficit)</b>	<b>5,174,912</b>

**Casey Hawkins, Inc.**

**Statements of Revenue and Expenses**

As of 5/31/2024

Revenues:

Equipment revenue	1,075,560
Product revenue	530,094
Repair and parts revenue	48,118
Shipping revenue	74,263
Rebate revenue	2,685,948
Franchise fee revenue	225,000
Brand fund revenue	533,834
Other revenue	27,445
Total revenues	<u>5,200,263</u>

Costs of goods sold:

Equipment costs	878,022
Product costs	430,965
Repair and parts costs	48,008
Shipping costs	101,830
Other costs	38,500
Total costs of goods sold	<u>1,497,325</u>

Gross profit

3,702,939

General and administrative expenses:

Depreciation	48,102
Advertising and marketing	177,861
Brand fund expense	533,834
Personnel cost	1,404,283
Professional fees	55,996
Operating lease costs	153,747
Repairs and maintenance	35,728
Travel and lodging	179,642
Utilities	19,005
Other general and administrative expenses	320,603
Total general and administrative expenses	<u>2,928,802</u>

Income from operations

774,136

Other income (expense):

Gain/Loss on Lease Transactions	0
Interest expense	(4)
Total other income (expense)	(4)

**Net income**

774,133

**Casey Hawkins, Inc.**

**Statements of Revenue and Expenses**

	As of	3/31/2025
Revenues:		
Equipment revenue		241,347
Product revenue		311,012
Repair and parts revenue		19,156
Shipping revenue		34,820
Rebate revenue		1,483,357
Franchise fee revenue		156,000
Brand fund revenue		302,945
Other revenue		5,588
Total revenues		<u>2,554,225</u>
Costs of goods sold:		
Equipment costs		206,236
Product costs		254,420
Repair and parts costs		18,860
Shipping costs		40,727
Other costs		9,900
Total costs of goods sold		<u>530,143</u>
Gross profit		<u>2,024,082</u>
General and administrative expenses:		
Depreciation		30,621
Advertising and marketing		88,020
Brand fund expense		302,945
Personnel cost		836,964
Professional fees		29,586
Operating lease costs		76,399
Repairs and maintenance		31,054
Travel and lodging		75,994
Utilities		9,223
Other general and administrative expenses		117,311
Total general and administrative expenses		<u>1,598,117</u>
Income from operations		425,965
Other income (expense):		
Gain/Loss on Lease Transactions		0
Interest expense		0
Total other income (expense)		0
<b>Net income</b>		<u><b>425,965</b></u>

**Casey Hawkins, Inc.****Balance Sheets**

As of 3/31/2025

**Assets**

## Current assets:

Cash and cash equivalents	469,935
Restricted cash	688,721
Accounts receivable, net	1,255,776
Unbilled revenue	-
Inventory	1,270,173
Prepaid expense and other current assets	71,500
Total current assets	<u>3,756,104</u>

Property and equipment, net	484,431
Operating lease right-of-use assets	158,386
Intangible assets, net	165,000

**Total assets** 4,563,921**Liabilities and Stockholders' Equity (Deficit)**

## Current liabilities:

Accounts payable and accrued expenses	255,043
App fund payable	581,268
Gift card payable	201,926
Brand fund liability	150,400
Refundable franchise fees	330,000
Customer deposits	681,805
Deferred revenue	250,886
Operating lease liability	160,565
Current portion of long-term debt	-
Total current liabilities	<u>2,611,894</u>

Deferred revenue, net of current portion 1,834,208

Operating lease liabilities, net of current portion (0)

Long-term debt, net of current portion -

Total liabilities 4,446,102

## Stockholders' equity (deficit):

Common stock, no par value, 1,000 shares authorized and 109.9 and 108.1 shares issued and outstanding as of December 31, 2022 and 2021	1000
Additional paid-in capital	203,938
Retained earnings	<u>(87,119)</u>
Total stockholders' equity (deficit)	<u>116,819</u>

**Total liabilities and stockholders' equity (deficit)** 4,563,921

proposed site(s) is/are acceptable. Developer will not enter into an agreement to lease or purchase a proposed site unless and until the site has been approved pursuant to Section 5.3.

- 5.2** No Site Analysis Fee. As to sites proposed by Developer, THB will waive the Site Analysis Fee, and THB will not charge a fee to evaluate proposed sites for THB outlets in the Development Area. Developer will not be required to execute a Site Analysis Agreement or pay the Site Analysis Fee. If the location of the first THB Outlet to be opened by Developer has not been determined or approved by THB as of the Effective Date of this Agreement, then the location of the first THB Outlet to be opened in the Development Area is the Premises for purposes of the Franchise Agreement.
- 5.3** Prompt Decision on Proposed Sites. THB will respond to a site proposal by approving, disapproving, or requesting additional information within thirty days of receipt of the proposal. If THB does not respond to a site proposal within thirty days of its receipt of the proposal or additional information thereto, the proposal is deemed rejected. Approval of a proposed site by THB does not constitute a representation by THB that a THB outlet at the proposed site will be successful or profitable, and Developer will not rely on THB's approval as such a representation.
- 5.4** Execution of Franchise Agreement. Area Developer will execute the Franchise Agreement for the first THB Outlet to be opened by Area Developer at the same time as Area Developer executes this Agreement. For subsequent Outlets, following approval of a proposed site within the Development Area, Developer will enter into THB's then-current form of franchise agreement for the THB Outlet to be located at that site, provided however that differences between the Franchise Agreement and the then-current form of franchise agreement will be restricted to THB's implementing any reasonable system-wide changes relating to its operations, products or administration, and also limited by THB's obligations of good faith and fair dealing.
- 5.5** Opening of THB Outlet. Developer must equip and open the new THB outlet on the approved site, or another approved site, within one year of the execution of the franchise agreement for that site.

## **6. Franchise Fees.**

- 6.1** One Third Due at Signing. ~~One-third~~A portion of the Franchise Fee (\$10,000) is due and payable upon execution of this Agreement for each outlet to be opened in fulfillment of Developer's obligations under Section 3.1, except that the full Franchise Fee (~~\$30~~35,000) is due on the execution of the franchise agreement for the first such THB outlet. The ~~one-third~~deposit portion of the Franchise Fee (\$10,000) down payment on the locations to be developed is deemed fully earned when paid and is non-refundable.
- 6.2** Two Thirds Due on Execution of Individual Franchise Agreements. The balance of the Franchise Fee (~~\$20~~25,000) for each outlet to be opened in fulfillment of

### Exhibit I -- State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	7 June 2024
Florida	17 December <del>2023</del> <u>2024</u>
Hawaii	<del>Pending</del> <u>30 April 2024</u>
Indiana	<del>31 January 2024</del> <u>24 February 2025</u>
Illinois	<del>Pending</del> <u>25 April 2024</u>
Kentucky	On File
Maryland	<del>Pending</del> <u>22 August 2024</u>
Michigan	4 December <del>2023</del> <u>2024</u>
Minnesota	12 <del>June 2023</del> <u>July 2024</u>
New York	<del>Pending</del> <u>12 July 2024</u>
North Dakota	22 February <del>2024</del> <u>2025</u>
South Dakota	7 December <del>2023</del> <u>2024</u>
Texas	On File
Utah	11 October <del>2023</del> <u>2024</u>
Virginia	<del>Pending</del> <u>22 May 2024</u>
Washington	<del>Pending</del> <u>28 August 2024</u>
Wisconsin	<del>21</del> <u>20</u> February <del>2024</del> <u>2025</u>

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT J  
RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Casey Hawkins, Inc. offers you a franchise, we must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, us or an Affiliate in connection with the proposed franchise sale. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Casey Hawkins, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency as listed on Exhibit F.

FTC Issuance Date: ~~April 22, 2024 as amended July 8, 2024.~~ March 5, 2025.

Tom Casey, Dan Hawkins, Scott Anderson, Angela Beeks, Justin Hawkins, Janie Page and Christine Dalrymple (the people listed in Item 2) are the only people authorized to offer or sell this franchise. Each of them can be reached at:

Casey Hawkins, Inc.  
623 Rossanley Drive  
Medford, OR 97501  
Telephone: (888) 262-2215  
Email: [applications@thehumanbean.com](mailto:applications@thehumanbean.com)

Casey Hawkins, Inc. authorizes the respective state agencies identified on Exhibit F to receive service of process for us in the particular state. You acknowledge receiving a Franchise Disclosure Document including the following Exhibits:

A. State-Specific Riders to the Franchise Disclosure Document; B. Franchise Agreement, Ancillary Agreements and State-Specific Addenda; C. Site Analysis Agreement; D. Operations Manual Table of Contents; E. Agents for Service of Process; F. List of State Administrators; G. Financial Statements; H. Area Development Agreement; I. State Effective Dates; & J. Receipts.

Signer's Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Signer's Title: \_\_\_\_\_

RECEIPT (RETURN THIS COPY TO US)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Casey Hawkins, Inc. offers you a franchise, we must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, us or an Affiliate in connection with the proposed franchise sale. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Casey Hawkins, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency as listed on Exhibit F.

FTC Issuance Date: ~~April 22, 2024 as amended July 8, 2024.~~ March 5, 2025.

Tom Casey, Dan Hawkins, Scott Anderson, Angela Beeks, Justin Hawkins, Janie Page and Christine Dalrymple (the people listed in Item 2) are the only THB employees authorized to offer or sell this franchise. Each of them can be reached at:

Casey Hawkins, Inc.  
623 Rossanley Drive  
Medford, OR 97501  
Telephone: (888) 262-2215  
Email: applications@thehumanbean.com

Casey Hawkins, Inc. authorizes the respective state agencies identified on Exhibit F to receive service of process for us in the particular state. You acknowledge receiving a Franchise Disclosure Document including the following Exhibits:

A. State-Specific Riders to the Franchise Disclosure Document; B. Franchise Agreement, Ancillary Agreements and State-Specific Addenda; C. Site Analysis Agreement; D. Operations Manual Table of Contents; E. Agents for Service of Process; F. List of State Administrators; G. Financial Statements; H. Area Development Agreement; I. State Effective Dates; & J. Receipts.

Signer's Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Signer's Title: \_\_\_\_\_