

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement and the area development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in California than in your own state.

2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

3. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

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

Document for additional terms that may be required under applicable state law.

## **ITEM 18 PUBLIC FIGURES**

We do not use any public figure to promote our franchise.

## **ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

This Item 19 presents information about historical sales data for TLJ Outlets in 2021, 2022 and 2023. The information presented is not a forecast of future potential performance.

### **"A" Tables – 2021 Eligible Outlets**

The "A" tables below provide "Average Sales" data for the period January 1, 2021 through December 31, 2021 from company-owned and franchised TLJ Outlets that operated for the entire calendar year 2021 and are a traditional, single-unit Outlet similar to the type of TLJ Outlet that you would operate (collectively, the "2021 Eligible Outlets"). As of January 1, 2021, there were two company-owned Outlet and 62 franchised TLJ Outlet in total. Of those Outlets, the 2021 Eligible Outlets include one company-owned Outlet and 49 franchised Outlets. The Eligible Outlets do not include TLJ Outlets that did not report sales in all 52 weeks of the fiscal year ended December 31, 2021, (ii) were not owned by the same owner throughout the year, and (iii) operated as a non-traditional Outlet.

### **"B" Tables – 2022 Eligible Outlets**

The "B" tables below provide "Average Sales" data for the period January 1, 2022 through December 31, 2022 from company-owned and franchised TLJ Outlets that operated for the entire calendar year 2022 and are a traditional, single-unit Outlet similar to the type of TLJ Outlet that you would operate (collectively, the "2022 Eligible Outlets"). As of January 1, 2022, there were two company-owned Outlet and 71 franchised TLJ Outlet in total. Of those Outlets, the 2022 Eligible Outlets include two company-owned Outlets and 52 franchised Outlets. The Eligible Outlets do not include TLJ Outlets that did not report sales in all 52 weeks of the fiscal year ended December 31, 2022, (ii) were not owned by the same owner throughout the year, and (iii) operated as a non-traditional Outlet.

### **"C" Tables – 2021-2023 Eligible Outlets**