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ITEM 18. PUBLIC FIGURES

We do not use any public figure to promote Our franchises but may do so in the future.

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 Restaurants 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 Restaurant 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.

Except as contained in **Exhibit H,** We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised Restaurants. We also do not authorize Our employees or representatives to make any such representation either orally or in writing. If You are purchasing an existing Restaurant, however, We may provide You with the actual records of that Restaurant. If You receive any other financial performance information or projections of Your future income, You should report it to the franchisor's management by contacting Our CEO Steven Paperno at 780 Lakefield Road, Suite C, Westlake Village, CA 91361; 805-496-8489, the Federal Trade Commission and the appropriate state regulatory agencies.

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During the last three fiscal years, We have signed no settlement agreements containing confidentiality clauses with current or former franchisees. You should be aware that We are required by law to disclose Your contact information to other franchise purchasers if You become a franchisee or leave Our franchise system.

We have not created, sponsored or endorsed any trademark-specific franchisee organization associated with Our System and no such association has asked to be included in this disclosure document.

ITEM 21. FINANCIAL STATEMENTS

Our audited financial statements dated December 31, 2018, December 31, 2017, and December 31, 2016 are attached as **Exhibit F.**

ITEM 22. CONTRACTS

Copies of the following agreements are attached:

Exhibit A.	Area Development Agreement
Exhibit B.	Franchise Agreement with Exhibits & State Addenda
Exhibit H.	Confidentiality Agreement

ITEM 23. RECEIPTS

You will find copies of a detachable receipt in **Exhibit I** at the very end of this disclosure document.

It is important that you sign, date and return a Receipt to Us. As noted on the cover page, this Disclosure Document is available in electronic format, in which case You must print a copy of the Receipt and send a signed and dated copy to Us. Thank you.

Our Franchise Sellers are Steven Paperno and David Goldstein. Their address and telephone number are: 780 Lakefield Road, Suite C, Westlake Village, CA 91361; 805-496-8489.

SALES TO COST ANALYSIS

The following table is based on the actual operating results of two (2) franchised restaurants ("the Restaurants"). The Restaurants are in Northridge and Palmdale, California, and were open throughout the twelve-month period. These Restaurants were selected because their respective sales are in the medium and low range for Sharky's Restaurants. During 2018, Our Affiliates owned and operated Palmdale and Northridge.

The table contains a percentage of Gross Sales for each expense item. This information should help you in preparing a Franchisee's pro forma analysis at different sales levels and projected rent costs.

The purpose of this Analysis is to reflect the costs and expenses that the Restaurants would incur if operated by a Franchisee under the current Franchise Agreement. Actual operating amounts from Affiliates' financial records were used, but certain costs have been adjusted to take out items associated with an Affiliate-operated Restaurant vs. a Franchise-owned and operated SHARKY'S Restaurant.

No representation is made as to what level of sales a Franchisee may actually expect to achieve in a franchised Restaurant. All management costs associated with a manager have been taken out to reflect an owner operated franchisee run business.

The analysis contains certain Bases and Assumptions as noted following each table and sets forth a breakeven point for each annual sales volume. We urge you to consult with financial, business and legal advisors in connection with the information contained in the Analysis.

This Analysis has been prepared in accordance with Generally Accepted Accounting Principles. Substantiation of the information contained within this Analysis will be made available to prospective franchisees upon reasonable request.

SALES TO COST ANALYSIS

2018	Palmdale		Northridge	
Gross Sales (A)	$1,648,751	100.0%	$2,098,818	100.0%
Cost of Goods sold (B)				
Food Cost	$ 377,766	22.9%	$ 512,947	24.4%
Beverage Cost	$ 32,527	2.0%	$ 43,968	2.1%
Paper Cost	$ 47,559	2.9%	$ 65,473	3.1%
Labor Costs (C)	$ 460,866	27.9%	$ 611,498	29.1%
Total COGS (B)	$ 918,719	55.7%	$1,233,885	58.8%
Gross Profit	$ 730,032	44.3%	$ 864,933	41.2%
Expenses				
Controllable Costs (D)	$ 175,380	10.6%	$ 274,662	13.1%
Non-Controllable Costs (E)(F)	$ 258,873	15.7%	$ 340,008	16.2%
Total Expenses	$ 434,253	26.3%	$ 614,670	29.3%
EBITDA (G)(H)	$ 295,780	17.9%	$ 260,282	12.4%

BASES AND ASSUMPTIONS CONTINUED ON NEXT PAGE

SALES TO COST ANALYSIS

BASES AND ASSUMPTIONS
FRANCHISE OPERATED RESTAURANT

(A) **Gross Sales** includes all food and beverage sales

(B) **Cost of Goods Sold** includes food, beverage, paper and labor costs.

(C) **Labor Costs** For calculation purposes, Manager's salary is removed along with the Manager's associated labor expenses such as Workers Compensation, taxes and payroll fees because it is assumed that the Franchisee owner will act as Manager. The labor costs include one Assistant Manager for each Restaurant plus its Team Members. Payroll taxes and Workers Compensation insurance are included as adjusted in accordance with the reduced labor cost. EPLI insurance is included in the labor cost as Sharky's makes it mandatory to carry EPLI insurance for all team members along with an endorsement to additionally insure Sharky's and its entities.

(D) **Controllable costs** include restaurant supplies, uniforms, repairs and maintenance, laundry, utilities. We have adjusted the above financials to reflect costs that You will not incur as a SHARKY'S franchisee. Repairs and maintenance have been adjusted to reflect 1.0% of Gross Sales per Restaurant. Consultants, Designers, Construction, have all been adjusted to reflect a Franchisee-operated SHARKY'S Restaurant. Repairs and Maintenance varies based on the age of the premises and equipment. All sales discounts are expensed in Controllable costs.

(E) **Non-controllable costs** include bank charges, credit card fees, local store marketing, occupancy costs and other administrative expenses. Also included is EPLI and liability insurance, both mandatory coverage along with identifying Passion Foods, Inc. and affiliates as Named Additional Insured.

This table includes a 5% royalty and 1.5% marketing fund cost applicable to Franchisees based on Net Sales. Local store marketing has also been adjusted to reflect the mandatory expenditure of 1% of Net Sales.

(F) **Actual Occupancy Costs (based on Gross Sales)** included in Non-controllable costs for these restaurants in 2017 were:

Palmdale	$ 87,684 (5.3%)
Northridge	$ 120,593 (5.7%)

Occupancy includes rent, property taxes and any common area charges. A Franchisee's occupancy costs will be based on the terms of the Lease negotiated by the Franchisee.

SALES TO COST ANALYSIS

BASES AND ASSUMPTIONS CONTINUED:

(G) **Debt Service** - The above table does not reflect costs for any debt service.

(H) **EBITDA**
Shows earnings before interest, taxes, depreciation and amortization with certain adjustments. The adjustments reflect expenses that pertain to a Franchise owned and operated restaurant.

(I) 2018 Gross Sales Per Square Foot
Palmdale – $749
Northridge – $808

(J) **Same Store Sales Growth – 2009 through 2018**
Restaurants that have been open for more than one year increased sales from 2009 through 2018 by a cumulative average of 28.79%. This includes 27 restaurants that were open for at least 12 months in 2018.

(L) In 2018, Our Affiliates owned and operated the Sherman Oaks, Palmdale, Aliso Viejo, Newport Beach, Irvine, Summerline, Northridge and Beverly Hills Restaurants. These Restaurants operate under a Franchise Agreement.

(M) As of December 31, 2018, there were 25 California, 1 Oregon and 1 Nevada franchisee owned and operated Restaurants that were operating for the full fiscal year. These franchisees have reported the following gross sales for fiscal year 2018.

2018 GROSS SALES	
CALIFORNIA	
#1 Sherman Oaks	$2,007,105
#3 Tarzana	$1,643,222
#5 Woodland Hills	$2,820,638
#6 Westlake Village	$3,317,343
#8 Palmdale	$1,648,750
#9 Calabasas	$2,185,595
#10 Burbank	$3,026,034

SALES TO COST ANALYSIS

#11 Ventura	$2,275,950
#12 Simi Valley	$2,319,180
#13 Aliso Viejo	$1,237,304
#14 Newport Coast	$1,174,637
#15 Irvine	$1,065,913
#16 Beverly Hills	$1,425,488
#17 Pasadena	$1,200,465
#19 Newbury Park	$1,838,069
#22 Toluca Lake	$1,764,460
#25 Camarillo	$2,601,876
#26 Valencia	$2,122,266
#27 Chatsworth	$2,113,797
#28 Northridge	$2,098,818
#29 Marina del Rey	$1,197,335
#30 Thousand Oaks	$1,753,740
#32 Studio City	$2,590,162
#34 Oxnard	$1,535,325
#35 Goleta	$912,440
OREGON	
#31 Tualatin	$1,207,374
NEVADA	
#33 Summerlin	$718,073

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