

- the availability of employees to staff new stores and our ability to hire, train, motivate and retain store personnel;
- the effect of changes to laws and regulations, including minimum wage, over-time, and employee benefits laws on store expenses;
- the availability of adequate management and financial resources to manage an increased number of stores;
- our ability to adapt our distribution and other operational and management systems to an expanded network of stores;
- our ability to attract customers and generate sales sufficient to operate new stores profitably; and
- the effect of changes in consumer shopping patterns, including an accelerated shift to online shopping at the expense of in-store shopping, during the term of a lease.

Additionally, the results we expect to achieve during each fiscal quarter are dependent upon opening new stores on schedule. If we fall behind, we will lose expected sales and earnings between the planned opening date and the actual opening and may further complicate the logistics of opening stores, possibly resulting in additional delays, seasonally inappropriate product assortments, and other undesirable conditions.

Any acquisitions we make or new businesses we launch, as well as any dispositions of assets or businesses, involve a degree of risk.

Acquisitions have been a component of the Company's growth strategy in recent years and we expect that we may continue to engage in acquisitions or launch new businesses to grow our revenues and meet our other strategic objectives. If any future acquisitions are not successfully integrated with our business, our ongoing operations could be adversely affected. Additionally, acquisitions or new businesses may not achieve desired profitability objectives or result in any anticipated successful expansion of the businesses or concepts, causing lower than expected earnings and cash flow and potentially requiring impairment of goodwill and other intangibles. Although we review and analyze assets or companies we acquire, such reviews are subject to uncertainties and may not reveal all potential risks. Additionally, although we attempt to obtain protective contractual provisions, such as representations, warranties and indemnities, in connection with acquisitions, we cannot offer assurance that we can obtain such provisions in our acquisitions or that they will fully protect us from unforeseen costs of, or liabilities associated with, the acquisitions. We may also incur significant costs and diversion of management time and attention in connection with pursuing possible acquisitions even if the acquisition is not ultimately consummated.

Additionally, we have in the past decided and may in the future decide to divest assets or businesses, such as the divestiture of our Lids Sports Group business in February 2019. Following such divestitures, we may retain or incur liabilities relating to our previous ownership of the assets or business that we sell. Any required payments on retained liabilities or indemnification obligations with respect to past or future asset or business divestitures could have a material adverse effect on our business or results of operations. Dispositions, such as the Lids Sports Group divestiture, may also involve our continued financial involvement in the divested business, such as through transition services agreements and guarantees. Under these arrangements, performance by the divested businesses or conditions outside our control could adversely affect our business and results of operations.

FanzzLids Holdings, LLC (together with its subsidiaries, "Fanzzlids") has agreed to assume the defense of certain lawsuits filed against the Company and/or its subsidiaries and to indemnify the Company and its subsidiaries for any losses incurred by them in connection with such lawsuits after the closing date of the sale of the Company's Lids Sports Group business. See Item 3, Legal Proceedings. The failure of Fanzzlids to indemnify the Company in connection with such assumed litigation could adversely affect our financial condition.

Further, acquisitions and dispositions are often structured such that the purchase price paid or received by us, as applicable, is subject to post-closing adjustments, whether as a result of net working capital adjustments, contingent payments (i.e., earn-outs) or otherwise. Any such adjustments could result in a material change in the consideration paid to or received by us, as applicable, in such transactions.

Goodwill recorded with acquisitions is subject to impairment which could reduce the Company's profitability.

In connection with acquisitions, the Company records goodwill on its Consolidated Balance Sheets. This asset is not amortized but is subject to an impairment test at least annually, where the Company has the option first to assess qualitative factors to determine whether events and circumstances indicate that it is more likely than not that goodwill is impaired. If