

FRANCHISE DISCLOSURE DOCUMENT

Bella Bridesmaids Franchise Group, LLC (an Illinois limited liability company) 1512 North Fremont St., Suite 201 Chicago, Illinois 60642 312-339-6025 www.bellabridesmaids.com franchise@bellabridesmaids.com



As a franchisee, you will operate a showroom providing bridesmaids with stylish, wearable, and modern bridesmaid dresses.

The total investment necessary to begin operation of a Bella Bridesmaids franchise is between \$92,900 and \$232,000. This includes \$50,000 that must be paid to the franchisor or an affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss availability of disclosures in different formats, contact Bella Bridesmaids Franchise Group, LLC, 1512 North Fremont St., Suite 201, Chicago, Illinois, 60642, 312-339-6025.

The terms of your contract will govern your franchise relationship. Do not rely on this disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like 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 "<u>A Consumer's Guide to Buying a Franchise</u>," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. 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 <u>www.ftc.gov</u> for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

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STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in **Exhibit A** for information about the franchisor, or about franchising in your state.

THIS FRANCHISE AGREEMENT, LIKE MANY OTHER FRANCHISE AGREEMENTS, DOES NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT PERMITS YOU TO SUE US ONLY IN ILLINOIS. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN ILLINOIS THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT ILLINOIS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS. SOME STATE FRANCHISE LAWS PROVIDE THAT CHOICE OF LAW PROVISIONS ARE VOID OR SUPERSEDED. YOU MAY WANT TO INVESTIGATE WHETHER YOU ARE PROTECTED BY A STATE FRANCHISE LAW. YOU SHOULD REVIEW ANY ADDENDA OR RIDERS ATTACHED TO THIS DISCLOSURE DOCUMENT FOR DISCLOSURES REGARDING STATE FRANCHISE LAWS.

3. THE FRANCHISE AGREEMENT RESTRICTS A FRANCHISEE'S RIGHTS, INCLUDING, BUT NOT LIMITED TO: WAIVER OF A JURY TRIAL, WAIVER OF PUNITIVE DAMAGES, AND A LIMITATION OF DAMAGES.

4. FRANCHISEES ARE REQUIRED TO SIGN A PERSONAL GUARANTY OF THE FRANCHISE'S OBLIGATIONS.

5. FRANCHISEES MUST MAINTAIN A MINIMUM AVERAGE MONTHLY SALES VOLUME. IF THE MINIMUM AVERAGE MONTHLY SALES VOLUME IS NOT MET, THE FRANCHISOR MAY TERMINATE THE FRANCHISE.

6. ALL OF THE OWNERS OF THE FRANCHISE AND THEIR SPOUSES WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE PERSONAL AND MARITAL ASSETS OF THE FRANCHISE OWNER(S) AT RISK.

7. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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STATE EFFECTIVE DATES

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

This franchise disclosure document is registered, on file, or exempt from registration in the following states having franchise registration and/or disclosure laws, with the following effective dates:

California	, 2018
Florida	, 2018
Kentucky	October 9, 2012
Louisiana	September 11, 2012
North Carolina	October 7, 2013
Texas (one-time)	September 7, 2012
Virginia	, 2018
Indiana	, 2018
Michigan	, 2018
Utah	, 2018
Illinois	, 2018

In all of the other states, the effective date of this franchise disclosure document is the issuance date of July 11, 2018.

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