

FRANCHISE DISCLOSURE DOCUMENT



FLOYD'S 99 FRANCHISING, LLC
 (a Colorado limited liability company)
 5340 S. Quebec Street, Suite 205N
 Greenwood Village, CO 80111
 Phone: (303) 779-8400
 Fax: (303) 779-8403
 Toll Free: (888) 771-2899
 Website: www.floydsbarbershop.com

Floyd's 99 Franchising, LLC is offering franchises for the operation of retail hair care businesses operated under the service mark "FLOYD'S 99" and featuring haircutting, coloring and barbering provided to clients in a modern atmosphere by a staff of well-trained, licensed professionals.

The total estimated investment necessary to begin operation of a FLOYD'S 99 business ranges from ~~\$258,284,000~~ to ~~\$494,632,000~~. These amounts include ~~\$40,700,433,000~~ that must be paid to the franchisor. The total investment necessary to begin operation of a Development Program is between ~~\$774,852,000~~ and ~~\$2,470,316,000~~. This includes a development fee paid to us of \$55,000 to \$75,000 (based on 3 to 5 FLOYD'S 99 Barbershops being developed).

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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 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 the availability of disclosures in different formats, contact Joe Zemla at 5340 S. Quebec Street, Suite 205N, Greenwood Village, Colorado 80111, (888) 771-2899.

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, 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 "Buying a Franchise: A Consumer's Guide," 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 www.ftc.gov 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.

ISSUANCE DATE:

~~April 19, 2017, as amended June 8, 2017~~
July 30, 2018

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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.

MANY FRANCHISE AGREEMENTS DO 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN COLORADO. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST MORE TO LITIGATE WITH US IN COLORADO THAN IN YOUR HOME STATE.**
- 2. THE FRANCHISE AGREEMENT STATES THAT COLORADO 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.**
- 3. IF THE OWNERS OF THE FRANCHISE ARE REQUIRED TO EXECUTE PERSONAL GUARANTEES, THE MARITAL ASSETS OF THE SPOUSES DOMICILED IN COMMUNITY PROPERTY STATES – ARIZONA, CALIFORNIA, IDAHO, LOUISIANA, NEVADA, NEW MEXICO, TEXAS, WASHINGTON AND WISCONSIN – ARE AT RISK IF YOUR FRANCHISE FAILS.**
- 4. UPON EARLY TERMINATION OF THE FRANCHISE AGREEMENT DUE TO YOUR DEFAULT, YOU MUST PAY US LIQUIDATED DAMAGES WHICH WILL BE CALCULATED BY AVERAGING THE ROYALTIES OWED EACH MONTH DURING THE PAST 24 MONTHS AND MULTIPLYING THAT AVERAGE AMOUNT BY THE NUMBER OF MONTHS REMAINING IN THE TERM OF THE FRANCHISE AGREEMENT.**
- 5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

We reserve the right to use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source is our agent and represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

The effective dates of this Disclosure Document in the states with registration laws are on the following page.

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FRANCHISE DISCLOSURE DOCUMENT – 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, 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 disclosure laws, with the following effective dates:

California: May 17, 2017, as amended June 28, 2017 <u>Not Registered</u>	North Dakota: <u>Not Registered</u>
Hawaii: June 23, 2017 <u>Not Registered</u>	Rhode Island: <u>Not Registered</u>
Illinois: May 19, 2017, as amended <u>Not Registered</u>	South Dakota: <u>Not Registered</u>
Indiana: June 16, 2017 <u>Not Registered</u>	Virginia: July 12, 2017 <u>Not Registered</u>
Maryland: June 20, 2017, as amended <u>Not Registered</u>	Washington: June 22, 2017 <u>Not Registered</u>
Minnesota: June 12, 2017, as amended <u>Not Registered</u>	Wisconsin: May 10, 2017, as amended <u>Not Registered</u>
New York: August 8, 2017 <u>Not Registered</u>	

EXEMPTION STATES

Connecticut: <u>Registered</u>	Nebraska: <u>Registered</u>
Florida: <u>Registered</u>	Texas: <u>Registered</u>
Kentucky: <u>Registered</u>	Utah: <u>Registered</u>
Michigan: <u>Registered</u>	

In all the other states, the effective date of this Franchise Disclosure Document is the issuance date of ~~April 19, 2018~~ July 30, 2017, as amended June 8, 2017.

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