

FRANCHISE DISCLOSURE DOCUMENT

FRENCHIES

modern nail care

FRENCHIES, LLC

a Colorado limited liability company
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FRENCHIES, LLC is offering franchises for the use of the trademark “FRENCHIES®” and related trademarks and service marks for the operation of a business offering hand and foot care services for men and women and the sale of related products (“**Nail Studio**”).

The total investment required to begin operating a FRENCHIES franchise ranges from \$243,524 to \$418,310. This includes \$46,197 to \$51,596 that you must pay to the franchisor or its affiliates. We may also offer you the right to develop two (2) or more Nail Studios. You would then sign an “Area Development Agreement” and pay a Development Fee equal to the sum of the initial franchise fee for each franchise you agree to open, which will be equal to \$49,500, for your first Nail Studio, plus a range from \$39,500 to \$19,500 per additional Nail Studio you agree to develop, depending on the number of Nail Studios you agree to develop. The Development Fee will then be credited towards the initial franchise fee owed for each Nail Studio. Your estimated initial investment will vary based on the number of Nail Studios franchises to be developed.

This Disclosure Document summarizes, in plain English, select provisions of your franchise agreement and other information. Carefully read this Disclosure Document and all its accompanying agreements. Please note that 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 for the proposed franchise sale. **Please also note that no governmental agency has verified the information in this document.**

You may want to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of different formats for this Disclosure Document, contact our Chief Executive Officer, Guy Coffey, at the address and telephone number above.

The terms of your contract will govern your franchise relationship. Please do not rely on this Disclosure Document alone to understand your contract. Read your entire 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. The Federal Trade Commission provides more information about franchising, including “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this Disclosure Document. 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 website 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 about franchising in your state. Ask your state agencies about them.

ISSUANCE DATE: April 22, 2019.

(Please see the page entitled “State Effective Dates” for State-Specific Effective Dates.)

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 AND AREA DEVELOPMENT AGREEMENT REQUIRE THAT ALL DISAGREEMENTS BE SETTLED BY ARBITRATION OR LITIGATION IN COLORADO. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS-FAVORABLE SETTLEMENT. IT MAY ALSO COST MORE TO ARBITRATE OR LITIGATE WITH US IN COLORADO THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE 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. ALL OF THE OWNERS OF THE FRANCHISE WILL BE REQUIRED TO SIGN PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER(S) AT RISK.
4. YOU MUST MAKE MINIMUM ROYALTY, ADVERTISING FUND, TECHNOLOGY, AND OTHER PAYMENTS REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.
5. THERE MAY BE OTHER RISKS RELATED TO THIS FRANCHISE.

We may use one or more franchise brokers or referral sources to help us sell our franchise. A franchise broker or referral source 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.

EFFECTIVE DATE: See the next page for state effective dates.

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, exempt from registration, or otherwise effective in the following states having franchise registration and disclosure laws as of the dates listed:

CALIFORNIA	
ILLINOIS	
INDIANA	
MARYLAND	
MICHIGAN	
MINNESOTA	
NEW YORK	
NORTH DAKOTA	
RHODE ISLAND	
SOUTH DAKOTA	
VIRGINIA	
WASHINGTON	
WISCONSIN	

In all other states, the effective date of this Franchise Disclosure Document is April 22, 2019.

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