

### FRANCHISE DISCLOSURE DOCUMENT

GREAT CLIPS, INC. A Minnesota Corporation 4400 West 78<sup>th</sup> Street, Suite 700 Minneapolis, Minnesota 55435 (952) 893-9088 greatclipsfranchise.com

# Great Clips®

A franchised GREAT CLIPS® Salon offers a required line of haircare services and products from a designated location, customarily in a shopping center, identified by trademarks licensed by the franchisor ("Great Clips") and using distinctive trade dress and business methods prescribed by Great Clips.

The total investment necessary to begin operation of a Great Clips franchise is from \$136,900 to \$259,400. This includes \$25,000 to \$40,000 that must be paid to Great Clips 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 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, Great Clips 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 the Franchise Administration Department at 4400 West 78<sup>th</sup> Street, Suite 700, Minneapolis, Minnesota 55435, (952) 893-9088.

The terms of your contract will govern your franchise relationship. Don't 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 "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission ("FTC"). 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 <a href="https://www.ftc.gov">www.ftc.gov</a> 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 on **Exhibit P** for information about the franchisor, about other franchisors, 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.

#### **RISK FACTORS:**

- 1. EXCEPT IN MARYLAND, AND SUBJECT TO STATE STATUTE, THE FRANCHISE AGREEMENT REQUIRES THAT ALL ARBITRATION AND LEGAL PROCEEDINGS CONCERNING THE FRANCHISE AGREEMENT OR THE RELATIONSHIP BETWEEN YOU AND GREAT CLIPS BE HELD IN THE STATE OF MINNESOTA. OUT OF STATE ARBITRATION OR LEGAL PROCEEDINGS MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR SUE IN MINNESOTA THAN IN YOUR HOME STATE.
- 2. LOCAL LAW MAY SUPERSEDE CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT. CERTAIN STATES MAY ALSO REQUIRE FRANCHISORS TO MAKE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. IF APPLICABLE, THESE ADDITIONAL DISCLOSURES APPEAR IN AN ADDENDUM TO THIS DISCLOSURE DOCUMENT. PLEASE REFER TO THE STATE SPECIFIC ADDENDA FOR FURTHER INFORMATION.
- 3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We 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.

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 or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date
California	
Hawaii	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	March 29, 2019

In all other states, the effective date of this disclosure document is the issuance date of March 29, 2019.

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