

Great Clips®

Great Clips, Inc.

FRANCHISE DISCLOSURE DOCUMENT

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GREAT CLIPS, INC.
A Minnesota Corporation
4400 West 78th 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 \$146,750 to \$302,400. This includes \$25,250 to \$30,000 that must be paid to Great Clips or an affiliate for a single franchise agreement, and \$40,250 to \$45,000 that must be paid to Great Clips or an affiliate for the first salon you develop under a Three Star Program Agreement. If you sign a Master Development Agreement (“MDA”), you also must pay to Great Clips or an affiliate a Development Fee of \$4,000 for each salon you agree to develop, which would amount to \$8,000 to \$40,000 if you were granted the right to develop between two and 10 salons.

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 78th 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 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.

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How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits A and B.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Great Clips business in my area?	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What’s it like to be a Great Clips franchisee?	Item 20 or Exhibits A and B lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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