

# Hair Cuttery®

## FRANCHISE DISCLOSURE DOCUMENT

Hair Cuttery Franchise, LLC  
A Virginia limited liability company  
1577 Spring Hill Road, Suite 500  
Vienna, Virginia 22182  
(703) 269-5400

HairCutteryFranchising@ratnerco.com  
[www.haircuttery.com](http://www.haircuttery.com)

DEPARTMENT OF CORPORATIONS  
RECEIVED LOS ANGELES OFFICE

FEB 28 2008

The franchise is to operate a retail hair salon, offering a full complement of hair cutting, coloring, styling and texturing services as well as a wide selection of professional hair care and styling products from approved suppliers. We also grant area development rights to develop a specified number of Hair Cuttery salons within a particular geographical area in accordance with a specified development schedule. Each Hair Cuttery salon developed under the Area Development Agreement must be established and operated pursuant to a separate Franchise Agreement.

The total investment necessary to begin operation of a Hair Cuttery franchise is \$143,900 to \$298,400. This includes up to \$199,900 that must be paid to the franchisor or affiliate. If you are granted area development rights under an Area Development Agreement, your development fee will be \$5,000 multiplied by the number of Hair Cuttery salons you will develop under the Area Development Agreement.

This Disclosure Document summarizes certain provisions of your Franchise Agreement, Area Development 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 Disclosure 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: Lester D. Mardiks at 1577 Spring Hill Road, Suite 500, Vienna, Virginia 22182, (703) 269-5400.

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 "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. 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](http://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 of this Franchise Disclosure Document: February 15, 2008

## 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:

THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO ARBITRATE (AND IN SOME INSTANCES LITIGATE) WITH US ONLY IN THE STATE IN WHICH WE MAINTAIN OUR PRINCIPAL PLACE OF BUSINESS (CURRENTLY VIRGINIA). OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN OUR HOME STATE THAN IN YOUR HOME STATE.

AS OF SEPTEMBER 29, 2007, THE FRANCHISOR HAD ONLY \$264,017 IN CURRENT ASSETS AND \$3,405,356 IN CURRENT LIABILITIES. THIS MEANS THAT FOR EVERY DOLLAR OF LIABILITIES DUE WITHIN ONE YEAR, THE FRANCHISOR HAS ONLY \$.08 IN CURRENT ASSETS. SINCE ITS INCEPTION, THE FRANCHISOR HAS LOST \$1,154,477, CAUSING IT TO HAVE A DEFICIT NET WORTH OF \$2,406,737.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

The effective dates of this Franchise Disclosure Document in the states with franchise registration laws in which we have sought registration appear on the following page.

**HAIR CUTTERY FRANCHISE, LLC  
STATE REGISTRATIONS**

This Franchise Disclosure Document is registered, on file, exempt from registration, or otherwise effective in the following states with franchise registration and/or disclosure laws:

<b>STATES</b>	<b>EFFECTIVE DATE</b>
California	_____, 2008
Florida	February 15, 2008
Hawaii	February 22, 2008
Illinois	_____, 2008
Indiana	February 19, 2008
Kentucky	Exemption perfected on September 23, 2004
Maryland	_____, 2008
Michigan	February 15, 2008
Minnesota	February 20, 2008
Nebraska	Exemption perfected on June 1, 2004
New York	_____, 2008
North Dakota	_____, 2008
Oregon	February 15, 2008
Rhode Island	_____, 2008
South Dakota	_____, 2008
Texas	Exemption perfected on June 1, 2004
Utah	February 15, 2008
Virginia	_____, 2008
Washington	_____, 2008
Wisconsin	February 19, 2008

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/hair-cuttery>