

REFRANCHISE PROGRAM FRANCHISE DISCLOSURE DOCUMENT



HCF USA1, LLC
a Delaware limited liability company
2875 NE 191 Street, Suite 905
Aventura, Florida 33180
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Under the terms of our refranchising program ("**Refranchising Program**") we are offering experienced and successful multi-unit franchise operators ("**Qualified Operators**") the opportunity to acquire the rights to operate multiple hair and beauty salons (each an "**Acquired Salon**") using our trademarks ("**Marks**") and System. The assets used to operate the Acquired Salons will be purchased from HC Holdings under the terms of a separately negotiated asset purchase agreement ("**Asset Purchase Agreement**") with HC Holdings.

The Initial Franchise Fee for each Salon is \$35,000. The estimated total initial investment required to acquire each single Salon, exclusive of the purchase price for each Salon, may range from \$57,750 to \$103,125. The estimated initial investment includes \$40,250 to \$54,000 payable to us or to our Affiliates exclusive of the price paid for the Acquired Salons.

We also offer to enter into Development Agreements with qualified parties who wish to establish an agreed-upon number of Salons in an agreed-upon area. The Development Fee is \$17,500 for each Salon developed under the same Development Agreement. In lieu of an Initial Franchise Fee, at the time you sign each Franchise Agreement to open a new Salon under the terms of the Development Agreement, you will pay a Development Franchise Fee equal to \$17,500.

This disclosure document ("**Franchise Disclosure Document**") summarizes certain provisions of your franchise agreement and other information in plain English. Read this Franchise Disclosure Document and all accompanying agreements carefully. You must receive this Franchise 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 Franchise Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our VP of Franchising at 2875 NE 191 Street, Suite 905, Aventura, Florida 33180 (tel: (305) 709-3545).

The terms of your contract will govern your franchise relationship. Don't rely on the Franchise Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Franchise Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Franchise 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 Franchise 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.

The issuance date of this Franchise Disclosure Document: **December 10, 2021.**

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 Exhibit 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 C 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 <i>Hair Cattery Salon</i> 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.

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