

HEMLINE®

FRANCHISE DISCLOSURE DOCUMENT

- a. Holthausen, Inc. is the franchisor of HEMLINE®.
- b. Address:
Holthausen, Inc.
609 Chartres Street
New Orleans, LA 70130
- c. HEMLINE® is a nationally recognized leading women's retailer, with 19 storefronts.
- d. The applicable trademarks are to the word HEMLINE® and the following image:



- e. HEMLINE® is an established leading women's retailer in the United States, catering to ladies of all ages who desire a sophisticated unique style and the most up-to-date trends in fashion. Ushering in fresh energy with an ambiance of friendly sales associates and offering over 200 of the most sought after brands in women's fashion, HEMLINE® creates the optimal customer shopping experience. HEMLINE® is a highly marketable, original brand idea that attracts great employees and brings in loyal customers.
- f. The following statements are made in compliance with Federal Trade Commission's Disclosure Requirements. 16 C.F.R. § 436.9:
 1. The total investment necessary to begin operation of a Hemline franchise is approximately **\$118,000-\$211,000.**** This includes the \$50,000.00 initial Franchise Fee and the \$5,000.00 Application Fee.

\$35,000 - \$70,000	Starting Inventory
\$10,000 - \$25,000	Store Build Out (shelves, fixtures, furniture, etc.)
\$4,000 - \$15,000	Start-up Supplies (i.e. mannequins, hangers, display tables, bags)

\$5,000 - \$15,000	Utility Connections and Lease Agreements (water connection, electrical, phone, shipping account, internet, lease may require deposit plus first and last month's rent)
\$3,000 - \$4,000	Point of Sale (software and hardware)
\$1,000 - \$4,000	Shopping Center Signage (most centers require illuminated signage, closer to \$3500)
\$2,000-\$3,000	\$1 Million <i>required</i> Liability Insurance
\$1,000-\$5,000	Professional Fees (including necessary REALTOR® fees)
\$1,000-\$4,000	Training Costs
\$0-\$1,000	Opening Advertising
\$1,000-\$10,000	Additional Funds [First Three Months of Operation]

**Approximate figures given may vary depending on store space, location, and desired store detailing in build out.

Initial Franchise fee: \$50,000.00 + \$5,000.00 Application Fee

Royalty: Eight percent (8%) of Net sales

The Application Fee is \$5,000.00; the initial Franchise Fee is \$50,000.00 for each store; the royalty is eight percent (8%) of Net Sales.

2. This Disclosure Document summarizes certain provisions of Your Franchise Agreement (also referred to herein as "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 document.**
3. 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(s) carefully. Show Your contract and this Disclosure Document to an advisor, such as a lawyer or an accountant.
4. 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.
5. There may also be laws on franchising in Your state. Ask Your state agencies about them.
6. The issuance date is April 12, 2016

7. If the seller fails to deliver the product, equipment, or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in Your contract, You may notify the seller in writing and cancel Your contract.

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