

FRANCHISE DISCLOSURE DOCUMENT

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MAGIC BROW FRANCHISE, INC.

A California Corporation
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Hemet, California 92545
(888) 841-7078
www.magicbrow.net

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DEPARTMENT OF
BUSINESS OVERSIGHT
SAN FRANCISCO



The franchise offered is for the establishment and operation of a Magic Brow Salon, either a full service business operation, which will offer customers eyebrow threading and esthetician services, along with an assortment of retail beauty items ("Full Service Salon"), or a basic service salon, which will only offer eyebrow threading services, along with an assortment of retail beauty items ("Basic Service Salon") The salons will provide high quality services at reasonable prices in a warm and inviting atmosphere

The total investment necessary to begin operations of a Magic Brow Full Service Salon franchise is \$111,167 to \$211,500 and for a Basic Service Salon is \$87,167 to \$167,833 This includes \$30,000 that must be paid to the franchisor or affiliate If you open a Basic Service Salon, you will have the right to switch to a Full Service Salon, if permitted by your lease, and subject to space availability Such change will not increase your franchise fee

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, 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 Disclosure Document in another format that is more convenient for you To discuss the availability of disclosures in different formats, contact Robert B Rosenstein of Rosenstein & Associates, 28600 Mercedes St , Suite 100, Temecula, CA 92590, (951) 296-3888

The terms of your contract will govern your franchise relationship Do not rely on this 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 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

Date of Issuance March 31, 2017

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 THE 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

- 1 **THE FRANCHISE AGREEMENT REQUIRES THAT MOST DISPUTES BE SUBMITTED TO LITIGATION/ARBITRATION IN RIVERSIDE COUNTY, CALIFORNIA OUT OF STATE LITIGATION/ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO LITIGATE/ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR HOME STATE**
- 2 **THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND CALIFORNIA LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE'S LAW YOU MAY WANT TO COMPARE THESE LAWS**
- 3 **THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS LIMITED OPERATION HISTORY THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY**
- 4 **IF YOU PURCHASE THIS FRANCHISE, YOUR TERRITORY WILL NOT BE EXCLUSIVE YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS WE CONTROL**
- 5 **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE**

The effective date for this Franchise Disclosure Document for your state is listed on the next page

STATE EFFECTIVE DATES

The states listed below may require registration or filing of this Disclosure Document. If this offering is registered in any of these states, the effective date of the registration may differ from the date of issuance of this Disclosure Document as stated below. Some of these states may require different or additional disclosures or revisions to the agreement. The effective date of this Disclosure Document for any state that is not included in this list is as shown on the cover of this Disclosure Document. (See the State Addenda to this Disclosure Document for certain states.)

California	Effective Date	<u>September 30, 2016</u>
Connecticut	Effective Date	_____
Florida	Effective Date	_____
Hawaii	Effective Date	_____
Illinois	Effective Date	_____
Indiana	Effective Date	_____
Kentucky	Effective Date	_____
Maine	Effective Date	_____
Maryland	Effective Date	_____
Michigan	Effective Date	_____
Minnesota	Effective Date	_____
Nebraska	Effective Date	_____
New York	Effective Date	_____
North Carolina	Effective Date	_____
North Dakota	Effective Date	_____
Rhode Island	Effective Date	_____
South Carolina	Effective Date	_____
South Dakota	Effective Date	_____
Texas	Effective Date	_____
Utah	Effective Date	_____
Virginia	Effective Date	_____
Washington	Effective Date	_____
Wisconsin	Effective Date	_____

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