

## FRANCHISE DISCLOSURE DOCUMENT

Merle Norman Cosmetics, Inc.  
A California Corporation  
9130 Bellanca Avenue  
Los Angeles, California 90045  
(310) 337-2200

[www.merlenorman.com](http://www.merlenorman.com)  
[franchising@merlenorman.com](mailto:franchising@merlenorman.com)



The Studio Owner will operate a retail store known as a “Studio,” which sells Merle Norman cosmetic products.

The total investment necessary to begin operation of a Merle Norman Cosmetic Studio ranges from approximately \$94,173 to \$190,200 for a Studio located in a regional mall and from approximately \$61,173 to \$115,200 for a Studio that is not located in a regional mall. This includes the price for one of several initial packages of Merle Norman Cosmetics, supplies and other items which range from approximately \$17,000 to \$26,000 that must be paid to Merle Norman. The total investment does not include rent for the business location.

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.**

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. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW., Washington, DC 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: April 30, 2015.

## STATE COVER PAGE

Your state may have a franchise law that requires us to register or file with a state 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 administrator listed in Exhibit A for more 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 YOU TO RESOLVE DISPUTES WITH US ONLY WHERE OUR PRINCIPAL OFFICE IS LOCATED, WHICH CURRENTLY IS CALIFORNIA. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO FILE SUIT IN CALIFORNIA THAN IN YOUR HOME STATE.
2. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

This Disclosure Document is for use in the District of Columbia and all states.

Effective Date: See the next page for state effective dates.

## STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

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

<u>State</u>	<u>Effective Date</u>
California	April 30, 2015
Hawaii	
Illinois	April 30, 2015
Indiana	April 30, 2015
Maryland	
Michigan	April 30, 2015
Minnesota	
New York	April 30, 2015
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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