

FRANCHISE DISCLOSURE DOCUMENT

MY SALON

SALON PLAZA

Suite Management Franchising, LLC

A Florida Limited Liability Company 3900 N. Causeway Boulevard, Suite 1200 Metairie, Louisiana 70002 Phone: (855) 677-3726

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Suite Management Franchising, LLC offers franchises for the operation of: (i) turnkey salon suite studios and related services in a luxury environment under the brand My Salon Suites to salon professionals where such professionals can provide health and beauty services to their own respective clients ("My Salon Suite Businesses"); and (ii) turnkey salon suite studios and related services featuring upscale modern décor under the brand Salon Plaza to salon professionals where such professionals can provide health and beauty services to their own respective clients ("Salon Plaza Businesses").

The total investment necessary to begin operation of a My Salon Suite and/or Salon Plaza Business is between \$395,700 and \$955,000. This includes \$50,000 to \$53,500 that must be paid to the franchisor or its affiliates. The initial investment listed throughout this document does not include any money received from landlords for tenant improvement allowances.

Franchisees may also choose to become a Multi-Unit Operator ("Multi-Unit Operator"), earning the right to establish and operate three (3), six (6), or ten (10) My Salon Suite or Salon Plaza franchises under a Multi-Unit Option Agreement ("Multi-Unit Option Agreement") containing a development schedule. The total investment necessary to enter into the Multi-Unit Option Agreement will depend on the number of My Salon Suite Businesses and/or Salon Plaza Businesses to be opened. The total investment necessary to begin operation of a Multi-Unit Operator business is between \$446,700 and \$1,128,000, which includes between \$99,000 and \$200,000 that must be paid to franchisor at the time the Multi-Unit Operator business is between \$498,700 and \$1,055,000, which includes \$150,000 that must be paid to franchisor at the time the Multi-Unit Option Agreement is signed. The total investment necessary to begin operation of a ten (10) Multi-Unit Operator business is between \$548,700 and \$1,105,000, which includes \$200,000 that must be paid to franchisor at the time the Multi-Unit Option Agreement is signed. You will also have the option to open additional My Salon Suite Businesses or Salon Plaza Businesses at the time you execute the Multi-Option Agreement.

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 Ken McAllister at 3900 N. Causeway Boulevard, Suite 1200, Metairie, Louisiana 70002 or (855) 677-3726.



The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire 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 for additional information. In addition, there may be laws on franchising in your state. Ask your state agencies about them.

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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 OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in **Exhibit D** to this disclosure document 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 AND MULTI-UNIT OPTION AGREEMENT REQUIRE YOU TO MEDIATE OR LITIGATE WITH THE FRANCHISOR ONLY IN LOUISIANA. OUT OF STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE OR LITIGATE WITH US IN LOUISIANA THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AGREEMENT AND MULTI-UNIT OPTION AGREEMENT STATE THAT LOUISIANA LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. IF THE FRANCHISEE IS A BUSINESS ENTITY, THE FRANCHISE AGREEMENT REQUIRES THAT EACH INDIVIDUAL OWNING AN INTEREST IN THE FRANCHISEE ENTITY AND THEIR RESPECTIVE SPOUSES MUST EXECUTE A PERSONAL GUARANTY, MAKING SUCH FRANCHISE OWNER AND HIS/HER SPOUSE LIABLE FOR THE OBLIGATIONS UNDER THE AGREEMENT, PLACING PERSONAL AND MARITAL ASSETS AT RISK.
- 4. IF THE FRANCHISEE IS AN INDIVIDUAL, THEN THE FRANCHISEE'S SPOUSE MUST EXECUTE THIS FORM OF PERSONAL GUARANTY PLACING PERSONAL AND MARITAL ASSETS AT RISK.
- 5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE OPPORTUNITY.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source is <u>our</u> agent and represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Dates: See next page for state effective dates.

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