

APR 18 2016

**Department of  
Business Oversight**
**FRANCHISE DISCLOSURE DOCUMENT**


NAIL GARDEN FRANCHISE LLC  
 a California limited liability company  
 17200 Ventura Blvd.  
 Suite 303  
 Encino, California 91316  
 (818) 439-3338  
[www.nailgarden.com](http://www.nailgarden.com)  
[franchise@nailgarden.com](mailto:franchise@nailgarden.com).

You will operate an upscale nail salon under the trade name and trademark NAIL GARDEN® (the "Salon").

The total investment necessary to begin operation of a NAIL GARDEN® Salon ranges from \$220,072 to \$332,325. This includes \$39,900 to \$45,530 that must be paid to the franchisor or affiliate.

If you are acquiring multi-unit development rights under an Area Development Agreement, you will pay us a development fee equal to the sum of the initial franchise fee for the first Salon and the product of \$11,250 multiplied by the number of additional Salons to be developed. For example, if you acquire development rights for three Salons, you will pay us a development fee of \$52,500 (\$30,000 plus [\$22,500 x 50% x 2]).

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 payments to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government 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 Fady Bastawros at (818) 439-3338 or [franchise@nailgarden.com](mailto:franchise@nailgarden.com).

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 carefully. Show your contract and this disclosure document to an advisor, like a lawyer or 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](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: \_\_\_\_\_, 2016.

## 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 THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit G 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 YOU TO RESOLVE DISPUTES WITH US BY MEDIATION OR LITIGATION IN THE COUNTY IN WHICH WE MAINTAIN OUR HEADQUARTERS (CURRENTLY, LOS ANGELES COUNTY, CALIFORNIA). OUT OF STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE WITH US IN CALIFORNIA THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. WHILE THE FRANCHISE AGREEMENT PROVIDES FOR A PROTECTED AREA, YOU WILL NOT HAVE AN EXCLUSIVE TERRITORY.
4. IF YOU ENTER INTO AN AREA DEVELOPMENT AGREEMENT AND FAIL TO ACHIEVE THE DEVELOPMENT SCHEDULE, WE MAY, AT OUR OPTION, TERMINATE THE AREA DEVELOPMENT AGREEMENT.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the following State Effective Dates page.

### STATE EFFECTIVE DATES

The following states require that the 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 state(s) having franchise registration and disclosure laws, with the following effective date(s):

State	Effective Date
California	

In all other states, the effective date of this disclosure document is the issuance date of \_\_\_\_\_, 2016.

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