


## FRANCHISE DISCLOSURE DOCUMENT

 <p>NAMASTE NAIL SANCTUARY</p>	<p><b>Namaste Nail Sanctuary, LLC</b> <b>a California limited liability company</b> <b>6320 Canoga Avenue, Suite 1430</b> <b>Woodland Hills, CA 91367</b> <b>Telephone: (818) 657-7220</b> <b>michael@namastenailsanctuary.com</b> <b>www.namastenailsanctuary.com</b></p>
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The franchise described in this disclosure document is for an Area Representative Business in which you will be responsible for promoting, establishing and supporting a required number retail nail salon franchised businesses within a specified geographic development area (“Development Area”), each of which specializes in hand and foot grooming services in an environment that promotes meditation and relaxation under the name “Namaste Nail Sanctuary™”.

The total Investment necessary to begin operation of a Namaste Nail Sanctuary™ Area Representative Business ranges from **\$107,750 to \$321,500**. This includes **\$72,500 to \$217,500** (based on a Development Area that includes between 10 and 30 nail salon franchised businesses) that must be paid to us or our affiliates (See Item 5). Area Representatives must also purchase one Namaste Nail Sanctuary™ retail nail salon franchised business, which is offered through a separate disclosure document.

This disclosure document (“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 fourteen (14) calendar days before you sign a binding agreement with, or make any payment to, us 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 Michael Elliot or Mike Waterski, Namaste Nail Sanctuary, LLC, 6320 Canoga Avenue, Suite 1430, Woodland Hills, CA 91367, (818) 657-7220.

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 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 on franchising. Call your state agency or visit your public library for other sources of information on franchising. There may be laws on franchising in your state. Ask your state agencies about them.

**Issuance Date: August 1, 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 THIS DISCLOSURE DOCUMENT.**

Call the state franchise administrator listed in Exhibit C 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 AREA REPRESENTATIVE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND LITIGATION ONLY IN CALIFORNIA. OUT OF STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE OR LITIGATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.**
2. **THE AREA REPRESENTATIVE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
3. **YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTY, WHICH MAKES YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AREA REPRESENTATIVE AGREEMENT. THIS GUARANTY WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARTIAL AND PERSONAL ASSETS AT RISK IF YOUR AREA REPRESENTATIVE BUSINESS FAILS.**
4. **YOU MUST MAINTAIN A MINIMUM DEVELOPMENT SCHEDULE. IF YOU FAIL TO DO SO, YOU COULD LOSE ANY TERRITORIAL RIGHTS YOU ARE GRANTED OR THE FRANCHISOR COULD TERMINATE YOUR AGREEMENT, RESULTING IN THE LOSS OF YOUR INVESTMENT.**
5. **WE DO NOT HAVE A FEDERAL REGISTRATION FOR OUR PRINCIPAL TRADEMARKS. THEREFORE, THESE TRADEMARKS DO NOT HAVE AS MANY LEGAL BENEFITS AND RIGHTS AS A FEDERALLY REGISTERED TRADEMARK. IF OUR RIGHT TO USE THESE TRADEMARKS IS CHALLENGED, YOU MAY HAVE TO CHANGE TO AN ALTERNATIVE TRADEMARK, WHICH MAY INCREASE YOUR EXPENSES.**
6. **THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.**

7. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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 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 Date: August 1, 2017**

**Except for the States listed on next page.**

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