

FRANCHISE DISCLOSURE DOCUMENT**RECEIVED**

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DEPARTMENT OF
BUSINESS OVERSIGHT
SAN FRANCISCO

Roosters MGC International, LLC
7201 Metro Boulevard
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As a ROOSTERS MEN'S GROOMING CENTER franchisee, you will operate a unique full service men's grooming center that provides personal grooming services, including haircuts, under the service mark and trade name ROOSTERS MEN'S GROOMING CENTER.

The total investment necessary to begin operation of a ROOSTERS MEN'S GROOMING CENTER franchise ranges from \$181,250 to \$255,350. This includes \$103,000 to \$114,500 that must be paid to the Franchisor or its affiliates. The Franchisor offers qualified individuals the option to operate two (2) additional franchises by executing a Development Agreement (the "Development Agreement"), which must be executed at the same time you execute the franchise agreement to operate your first franchised business. If you execute a Development Agreement to operate these two (2) additional Rooster franchises, you must pay the Franchisor an additional development fee of \$20,000 upon execution of the Development Agreement (the "Development Fee"). In addition to this Development Fee, you must pay \$73,500 to \$85,000 to the Franchisor or its affiliates for each additional Roosters franchise you open under the Development 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 our corporate office at 7201 Metro Boulevard, Minneapolis, MN 55439 or via telephone at (888) 888-7008.

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 (FTC). 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. 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.

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ROOSTERS

• MEN'S GROOMING CENTER

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 AND DEVELOPMENT AGREEMENT REQUIRE THAT, AT OUR OPTION, ALL DISAGREEMENTS BE SETTLED BY MEDIATION IN MINNESOTA. OUT OF STATE MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE IN MINNESOTA THAN IN YOUR HOME STATE.
2. ANY DISPUTES WITH US THAT ARE NOT SUBJECT TO OR SETTLED BY MEDIATION MUST BE RESOLVED BY LITIGATION IN ANY COURT OF GENERAL JURISDICTION IN MINNEAPOLIS, MINNESOTA OR IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MINNESOTA. IT MAY COST YOU MORE TO LITIGATE WITH US IN MINNESOTA THAN IN YOUR OWN STATE.
3. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT STATE THAT MINNESOTA LAW GOVERNS THE AGREEMENT. THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
4. SPOUSE(S) OF FRANCHISE OWNERS MUST EXECUTE A PERSONAL GUARANTY MAKING SUCH SPOUSE(S) JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE WHETHER OR NOT SUCH SPOUSE(S) ARE INVOLVED IN THE OPERATION OF THE FRANCHISE BUSINESS. THE PERSONAL ASSETS OF THE FRANCHISE OWNER(S) AND SPOUSE(S) ARE AT RISK.

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