

FRANCHISE DISCLOSURE DOCUMENT**SHEAR MADNESS FRANCHISING, LLC**

(a Kansas limited liability company)

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Shear Madness Franchising, LLC is offering franchises for the operation of a retail business that provides haircuts to children and sells hair care products, accessories, toys, manicures and pedicures

The total estimated initial investment necessary to begin operation of a Shear Madness salon franchise, ranges from \$126,862 to \$293,562. These amounts include \$34,000 that must be paid to the franchisor. See Items 5 and 7.

We also grant to qualified persons rights to a specific geographic area in which to develop a predetermined number of salons under a Development Agreement. If you execute a Development Agreement, a \$25,000 initial franchise fee for the first salon and a discounted initial fee for each subsequent salon to be developed in the agreement is due at the date of signing 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 us at 13425 W 128th Street, Overland Park, Kansas, (888) 984-6636.

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 "Buying a Franchise: A Consumer Guide" 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 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.

THE DATE OF ISSUANCE OF THIS DISCLOSURE DOCUMENT IN THE NON-REGISTRATION STATES ISAugust
26, 2015

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 A 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 ARBITRATION OR, AS APPLICABLE, LITIGATION ONLY IN KANSAS OUT OF STATE ARBITRATION, OR AS APPLICABLE, LITIGATION, MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US OR, AS APPLICABLE, LITIGATE WITH US IN KANSAS THAN IN YOUR OWN STATE.**
2. **THE FRANCHISE AGREEMENT STATES THAT KANSAS 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. **THE FRANCHISOR WAS FORMED ON FEBRUARY 18, 2010 AND HAS A LIMITED OPERATING HISTORY AND RECORD OF PERFORMANCE.**
4. **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**
5. **THE CALIFORNIA FRANCHISE LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENTS.**

We reserve the right to 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 our agent and represents us, and 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.

The effective dates of this Disclosure Document in the states with registration laws are on the following page.

**STATE EFFECTIVE DATES –
REGISTRATION STATES**

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

California <u>Not Registered</u>	New York <u>March 6, 2015</u>
Hawaii <u>Not Registered</u>	North Dakota <u>Not Registered</u>
Illinois <u>Not Registered</u>	Rhode Island <u>Not Registered</u>
Indiana <u>Not Registered</u>	South Dakota <u>Not Registered</u>
Maryland <u>Not Registered</u>	Virginia <u>Not Registered</u>
Michigan <u>Not Registered</u>	Washington <u>Not Registered</u>
Minnesota <u>Not Registered</u>	Wisconsin <u>Not Registered</u>

**EXEMPTION/NOTICE
FILING STATES**

Connecticut <u>Not Registered</u>	Kentucky <u>Not Registered</u>	Texas <u>Registered 8/17/10</u>
Florida <u>Registered 8/20/10</u>	Nebraska <u>Registered 8/17/10</u>	Utah <u>Not Registered</u>

In all the other states, the effective date of this Franchise Disclosure Document is the issuance date of August 1, 2010

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