

FRANCHISE DISCLOSURE DOCUMENT



The Snip-its Franchise Company, LLC
A Massachusetts limited liability company
6409 City West Parkway, Suite 205-A
Eden Prairie, Minnesota 55344
(952) 288-2222
www.snipits.com
sales@snipits.com

The franchisee will operate a branded entertainment hair care salon business focusing on the specific hair care, spa services, and entertainment (including birthday party) needs of children, operating in buildings that bear our custom interior and exterior trade dress (the “**Snip-its Salon**”).

The total investment necessary to begin operation of a Snip-its Salon franchise ranges from \$120,300 to \$255,433. This includes \$27,500 that must be paid to us or our affiliates.

We offer a “3-Pack Agreement” or “5-Pack Agreement” where you will sign three or five franchise agreements (respectively) simultaneously, with certain modifications to address the timeline for opening those Snip-its Salons. Your estimated total investment necessary to begin operation at each of the Snip-its Salons under a 3-Pack Agreement or a 5-Pack Agreement will, as noted above, range from \$120,300 to \$255,433. This includes \$50,000 (under a 3-Pack Agreement) or \$75,000 (under a 5-Pack Agreement) that must be paid to us or our affiliates.

If you enter into a development agreement, the development fee will be \$50,000 if you plan to develop three salons, and \$75,000 if you plan to develop five salons.

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 James George at 6409 City West Parkway, Suite 205 A, Eden Prairie, Minnesota 55344, telephone (952) 288-2222.

The terms of your contract will govern your franchise relationship. Don’t 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 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, 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 issuance date of this Franchise Disclosure Document is March 31, 2014.

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 administrators 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.

Risk factors:

- *1. THE FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO MEDIATE AND LITIGATE ONLY IN THE STATE IN WHICH THE FRANCHISOR MAINTAINS ITS PRINCIPAL PLACE OF BUSINESS. THE FRANCHISOR IS CURRENTLY LOCATED IN MINNESOTA. 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 THE FRANCHISOR IN ITS STATE THAN IN YOUR HOME STATE.
- *2. THE FRANCHISE AGREEMENT STATES THAT THE LAW OF MINNESOTA 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. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.
- * Local law may supersede these franchise agreement provisions. Certain states require the superseding provisions to appear in an addendum in this disclosure document (see Exhibits J and K).

We may periodically use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchises. 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: See the next page for state effective dates.

STATE EFFECTIVE DATES

The effective dates of this disclosure document in the states listed below are:

STATES	EFFECTIVE DATE
California	April 23, 2014
Florida	April 29, 2014
Illinois	April 1, 2014
Indiana	April 9, 2014
Kentucky	March 31, 2014
Michigan	April 9, 2014
Maryland	April 11, 2014
Minnesota	April 8, 2014
Nebraska	March 31, 2014
New York	July 17, 2014
Rhode Island	April 2, 2014
Texas	March 31, 2014
Virginia	April 15, 2014
Washington	May 29, 2014
Wisconsin	April 1, 2014

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