

FRANCHISE DISCLOSURE DOCUMENT 2016 NOV 28 AM 10 38



THE LASH LOUNGE FRANCHISE, LLC
 a Texas limited liability company
 2200 Pool Road, Suite 106
 Grapevine, Texas 76051
 817-442-LASH (5274)
 franchise@thelashlounge.com
 www.thelashloungefranchise.com
 www.thelashlounge.com
 www.twitter.com/thelashlounge
 www.facebook.com/thelashlounge
 www.youtube.com/thelashlounge

You will operate an upscale salon featuring the application of semi-permanent and temporary eyelash and eyebrow extensions and other eye-enhancing services, as well as facial threading services combined with a retail offering of private label cosmetic and skin care lines under the trade name and trademark THE LASH LOUNGE® (“Salon”) You also may elect to provide permanent makeup services at the Salon including permanent eyeliner, lip liner, and eyebrows

The total investment necessary to begin operation of a THE LASH LOUNGE® Salon ranges from \$148,072 to \$298,026 This includes the \$63,500 to \$68,000 that must be paid to the franchisor or affiliate If you are acquiring the right to open three or five locations under our development agreement, instead of paying us the \$49,500 initial franchise fee you will pay to us either \$99,500 for the development of three Salons or \$149,500 for the development of five Salons under the terms of our 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 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 Anna Phillips at 2200 Pool Road, Suite 106, Grapevine, Texas 76051 or 817-442-LASH (5274)

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 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 April 29, 2016 as amended November 20, 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 H 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, LITIGATION, AND/OR ARBITRATION, ONLY IN TARRANT COUNTY, TEXAS. OUT OF STATE MEDIATION, LITIGATION, AND/OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE WITH US IN TEXAS THAN IN YOUR HOME STATE.
- 2 THE FRANCHISE AGREEMENT STATES THAT TEXAS 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 THE FRANCHISOR HAS LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND THE FRANCHISOR'S PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES.
- 4 THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$148,072 TO \$298,026. THIS AMOUNT EXCEEDS THE FRANCHISOR'S MEMBER'S EQUITY AS OF DECEMBER 31, 2015, WHICH IS (\$382,873).
- 5 NOTE 6 OF THE NOTES TO THE FINANCIAL STATEMENTS, EXHIBIT F, STATES THE FOLLOWING: THE ABILITY OF THE COMPANY TO CONTINUE AS A GOING CONCERN DEPENDS ON THE SUCCESS OF THE MARKETING PLAN AND RESULTING SALES OF ADDITIONAL FRANCHISES. THE OWNER PLANS TO CONTINUE TO BORROW FROM RELATED PARTIES OR SEEK OUTSIDE FUNDING AS NECESSARY TO FUND CONTINUED OPERATIONS UNTIL ADDITIONAL FRANCHISES ARE SOLD. YOU MAY WANT TO TAKE THIS INTO CONSIDERATION WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
- 6 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We 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 make sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

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 state(s) having franchise registration and disclosure laws, with the following effective date(s)

State	Effective Date
California	May 24, 2016
Illinois	April 29, 2016
Indiana	May 24, 2016
Michigan	April 28, 2016
New York	July 28, 2016
Virginia	July 13, 2016
Washington	June 25, 2016

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of April 29, 2016 as amended November 20, 2016

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