

FRANCHISE DISCLOSURE DOCUMENT



REGAL NAILS, SALON & SPA, LLC
A Nevada Limited Liability Company
5150 Florida Boulevard
Baton Rouge, LA 70806
888-414-6245
www.regalnails.com

The franchisee will operate a Regal Nails Salon & Spa[®] location, a modern, high style nail salon in a shopping center.

The total investment necessary to begin operation of a typical Regal Nails Salon & Spa franchise is from \$175,340 to \$674,724. This includes \$161,940 to \$651,094 that must be paid to the franchisor or its affiliate.

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 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 Loan Nguyen, Regal Nails Salon & Spa, LLC, 5150 Florida Boulevard, Baton Rouge, LA 70806, 225-906-0561.

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 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 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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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 D for information about the franchisor, about other franchisors, 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 ONLY IN BATON ROUGE, LOUISIANA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN BATON ROUGE, LOUISIANA THAN IN YOUR HOME STATE. FOR SOME LEASE RELATED MATTERS YOU ARE REQUIRED TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN BENTON COUNTY, ARKANSAS. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE US IN BENTON COUNTY, ARKANSAS THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT LOUISIANA 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. THE MASTER LEASE AGREEMENT STATES THAT ARKANSAS LAW (EXCLUDING THE LAW REGARDING CONFLICT OF LAW) GOVERNS THAT AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. OUR BUSINESS MODEL AND YOUR ABILITY TO OPERATE YOUR FRANCHISED BUSINESS DEPEND ON OUR ABILITY TO MAINTAIN A MASTER LEASE AGREEMENT FOR SALON FACILITIES. IF OUR MASTER LEASE AGREEMENT ENDS (IN TOTAL OR FOR YOUR SPECIFIC LOCATION) FOR ANY REASON, YOUR FRANCHISE SUBLEASE AND YOUR FRANCHISE AGREEMENT ALSO END AND WE HAVE NO LIABILITY TO YOU.
4. THE FRANCHISOR IS A GUARANTOR TO A PERSONAL \$3,000,000 LOAN OF THE MANAGING MEMBER AND HIS WIFE. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE.
5. THE TERRITORY IS NOT EXCLUSIVE. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS FRANCHISOR CONTROLS.

6. THE FRANCHISE AGREEMENT CONTAINS PROVISIONS THAT LIMIT FRANCHISEE'S RIGHTS AND MAY NOT BE ENFORCEABLE IN CALIFORNIA, INCLUDING, BUT NOT LIMITED TO, A TIME LIMIT TO RAISE CLAIMS AGAINST THE FRANCHISOR, LIMITATION OF DAMAGES AND WAIVER OF JURY TRIAL.
7. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

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