

FRANCHISE DISCLOSURE DOCUMENT

DESSANGE
PARIS ®

Dessange Franchising, LLC
a Delaware limited liability company
500 Cummings Center, Suite 1100
Beverly, Massachusetts 01915
Telephone: 978.232.5600
E-mail: franchise@dessange-inc.com
Website: www.dessange-inc.com

RECEIVED
NOV 13 2017
Department of Business Oversight
Los Angeles Office

A franchisee operating under our system will operate a French hair and beauty salon (a "Salon") or a Salon with a Spa (a "Salon+Spa") using our marks, such as "Dessange" and "Dessange Paris" (collectively, a "Dessange Salon" or "Dessange Salons").

The total initial investment necessary to begin operation of a single Salon ranges from \$623,450 - \$840,350. The total initial investment to begin operation of a single Salon+Spa ranges from \$845,700 - \$1,094,600. This includes \$147,200 - \$188,400 that must be paid to us or our affiliates for a Salon or for a Salon+Spa. ~~The Initial Franchise Fee for a single Dessange Salon is \$55,000.~~

We also offer to enter into Development Agreements with qualified parties who wish to establish an agreed-upon number of Dessange Salons (but no less than 3 salons) in an agreed-upon area. The minimum Development Fee is \$85,000 for three Dessange Salons (and your total investment to begin operation of three salons will range from \$653,450 to \$1,124,600) and the Development Fee is paid to us when you sign the Development Agreement. The Development Fee is paid instead of the Initial Franchise Fees that would otherwise apply for those Dessange 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 Julie Johnson at 500 Cummings Center, Suite 1100, Beverly, Massachusetts 01915 (tel: 978.232.5600).

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 August 1, 2017 as amended November 2, 2017.

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 AND DEVELOPMENT AGREEMENT PERMITS THE FRANCHISEE TO LITIGATE OR MEDIATE ONLY IN MASSACHUSETTS. OUT OF STATE LITIGATION OR MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE OR MEDIATE WITH THE FRANCHISOR IN MASSACHUSETTS THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT STATE THAT THE LAW OF MASSACHUSETTS 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.

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 be 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; as well as exemption from the business opportunity registration requirements in Florida, Kentucky, Nebraska, Texas, and Utah.

The effective dates of this Disclosure Document in the states listed below are:

STATES	EFFECTIVE DATE
California	August 10, 2017
Hawaii	N/A
Illinois	N/A
Indiana	N/A
Maryland	
Michigan	March 31, 2017
Minnesota	N/A
New York	N/A
North Dakota	N/A
Rhode Island	N/A
South Dakota	N/A
Virginia	October 23, 2017
Washington	N/A
Wisconsin	N/A
All Other States	<u>August 1, 2017 as amended November 2, 2017</u>

**(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)**

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in a franchise document, the provisions are void and cannot be enforced against you:

- (a) A prohibition on the right of a franchise to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value, at the time of expiration, of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. The subsection applies only if: (i) the term of the franchise is less than five years; and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of the franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - 1. The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - 2. The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - 3. The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

4. The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (C).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

* * * *

The fact that there is a notice of this offering on file with the Attorney General does not constitute approval, recommendation, or enforcement by the Attorney General.

* * * *

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisor must, at the request of the franchisee, arrange for the escrow of the initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

* * * *

Any questions regarding the notice should be directed to the Office of the Attorney General, Consumer Protection Division, G. Mennen Williams Building, 7th Floor, 525 West Ottawa St., Lansing, MI 48909, (517) 373-7117.

**DESSANGE
FRANCHISE DISCLOSURE DOCUMENT**

TABLE OF CONTENTS

Item 1	The Franchisor and any Parents, Predecessors, and Affiliates	1
Item 2	Business Experience	5
Item 3	Litigation	6
Item 4	Bankruptcy	6
Item 5	Initial Fees	6
Item 6	Other Fees	9
Item 7	Estimated Initial Investment	16
Item 8	Restrictions on Sources of Products and Services	24
Item 9	Franchisee's Obligations	29
Item 10	Financing	30
Item 11	Franchisor's Assistance, Advertising, Computer Systems, and Training	31
Item 12	Territory	43
Item 13	Trademarks	46
Item 14	Patents, Copyrights, And Proprietary Information	48
Item 15	Obligation to Participate in the Actual Operation of the Franchise Business	49
Item 16	Restrictions on What the Franchisee May Sell	50
Item 17	Renewal, Termination, Transfer, and Dispute Resolution	50
Item 18	Public Figures	55
Item 19	Financial Performance Representations	55
Item 20	Outlets and Franchisee Information	56
Item 21	Financial Statements	59
Item 22	Contracts	59
Item 23	Receipts	59

Exhibits

A	Agents for Service of Process	F	Table of Contents for Manual
B	List of Current and Former Franchisees and Company/Affiliated-owned Units	G	Franchise Compliance Certification
C-1	Audited Financial Statements	H	List of State Administrators
C-2	Unaudited Financial Statements	I	Finder's Agreement
D-1	Franchise Agreement and Exhibits	J	State-specific Addenda to Disclosure Document
D-2	State-specific Amendment(s) to Franchise Agreement	K	General Release
E-1	Multi-Unit Development Agreement	L	Receipts (2 copies)
E-2	State-specific Amendment(s) to Multi-Unit Development Agreement		

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor

Dessange Franchising, LLC ("**us**", "**our**" or "**we**") is the franchisor. We maintain our principal place of business at 500 Cummings Center, Suite 1100, Beverly, Massachusetts 01915 (tel: 978.232.5600).

We are a Delaware limited liability company formed on June 9, 2006. We were formed under the name New DF, LLC, and on November 7, 2014 changed our name to Dessange Franchising, LLC. We conduct business under the names and marks "**DESSANGE**" and "**DESSANGE Paris**," but we do not conduct business under any other name. We have offered franchises for Dessange Salons in the U.S. since June 9, 2006, the date we were formed.

We franchise the right to operate Dessange Salons in the U.S. and Canada under the "**DESSANGE**" and "**DESSANGE Paris**" marks and operating system. We do not own or operate any Dessange Salons, do not offer franchises in any other line of business and do not engage in any business activity other than the franchising and operation of Dessange Salons using the "**DESSANGE**" and "**DESSANGE Paris**" name and marks. As of the date of this Disclosure Document, there were 6 Dessange Salons operating in the U.S.

Our agents for service of process are listed in Exhibit A to this disclosure document.

Our Parent, Predecessors and Affiliates

We are a subsidiary of Dessange USA, Inc. (formerly known as DJD International, Inc.), a Delaware corporation ("**Dessange USA**"), which, in turn, is a subsidiary of Dessange Group North America, Inc. ("**DGNA**"), a Delaware corporation formed on November 17, 2011. D. Participations SAS, a French corporation ("**D. Participations**") is the parent of DGNA. D. Participations is also the parent of Dessange International SAS ("**DISAS**"), also a French corporation. The principal place of business of D. Participations and DISAS is 39 Avenue Franklin Roosevelt, 75008, Paris, France (Tel: +33 1 53 83 99 10).

From 1994 to 1997, French Hair Style and Beauty Corp, a New York corporation offered and sold licenses to operate hair salons and/or beauty salons in the U.S. under the "Jacques Dessange" name ("**Predecessor License Agreements**"). The Predecessor License Agreements are generally license agreements with limited or no support required of us. On June 1, 1998, the rights of the licensor under the effective Predecessor License Agreements were assigned to French Beauty Services, Inc., a Delaware corporation ("**DFI**"). From August 10, 2004, to June 9, 2006, franchising activities in the U.S. under the name "Jacques Dessange USA" were conducted by French Beauty Products and Services USA LLC, a Delaware corporation ("**FBPS**"). The right to franchise under the names "Jacques Dessange" and "Dessange Paris" along with the rights under the effective Predecessor License Agreement were transferred to us by FBPS on June 9, 2006. From June 9, 2006 until April 11, 2011, we were 100% owned by Butterfly DF, LLC, a Delaware corporation, formed on July 2, 2004. On April 11, 2011, DF Export SAS, a French corporation ("**DFX**") purchased 100% of the shares of our parent, Dessange USA. On December 1, 2014, DGNA acquired all of the issued and outstanding stock of Dessange USA from DFX and Dessange USA became a subsidiary of DGNA.

Our affiliate, Dessange Salons, Inc. (formerly known as EJD International, Inc.), a Delaware corporation ("**DSI**"), has owned and operated 1 Dessange Salon in Chevy Chase, Maryland since 1996. The principal place of business of DGNA, Dessange USA and DSI is the same as ours, 500 Cummings Center, Suite 1100, Beverly, Massachusetts 01915. The Dessange Salon that DSI currently operates is located at 5480 Wisconsin Avenue, Chevy Chase, MD 20815. Neither DSI nor Dessange USA have ever offered franchises in any line of business.

Dessange Operations Outside the U.S.

DISAS owns, operates, and grants franchises and master franchise rights outside the U.S. and Canada for beauty salon businesses under the "**DESSANGE Paris**" and "**CAMILLE ALBANE**" marks and operating systems. DISAS and/or its subsidiaries have offered Franchises for salons operating under the **DESSANGE Paris** marks outside of the U.S. since 1977 and have offered franchises for salons operating under the **CAMILLE ALBANE** marks and operating system since 1994. DISAS operates and/or franchises 345 Dessange Salons in 34 countries (including France) and operates and/or franchises 231 Camille Albane salons in 10 countries (including France). DISAS and its affiliate have their principal place of business at 39 Avenue Franklin Roosevelt, 75008, Paris, France (Tel: +33 1 53 83 99 10).

Camille Albane Salons in the U.S.

C.Alb Franchising, Inc. ("**C.Alb Franchising**"), a Delaware corporation, has offered franchises in the U.S. for French hair salons operating under the "**CAMILLE ALBANE**" marks and operating systems since April, 2013. As of the date of this Disclosure Document, there was 1 Camille Albane salon operating in the U.S. C.Alb Franchising and C.Alb Salons are subsidiaries of Camille Albane USA, Inc. ("**CA USA**"), a Delaware corporation formed on May 11, 2012, which, in turn, is a subsidiary of DGNA. The principal business address of C.Alb Franchising, C.Alb Salons and CA USA is the same as ours (500 Cummings Center, Suite 1100, Beverly, Massachusetts 01915). C.Alb Salons and CA USA have never offered franchises in any line of business and CA USA does not own or operate any hair salons. C.Alb Franchising does not own or operate any hair salons and does not offer franchises in any other line of business. C.Alb Salons does not own or operate any hair salons.

Fantastic Sams Franchises

Fantastic Sams Franchise Corporation (formerly known as Fantastic Sams Salons Corporation) ("**FSFC**"), a Delaware Corporation and subsidiary of DGNA formed on May 29, 2003 has offered franchises for value hair salons under the "**FANTASTIC SAMs**" marks and system ("**Fantastic Sams Salons**") throughout the world since September 11, 2003. FSFC is also a master franchisor who grants regional franchise rights to regional owners, who in turn grant local franchises to subfranchisees. As of December 31, 2016, there were 1061 Fantastic Sams Salons operating in the U.S. and Canada of which 3 of those salons were operated by FSFC's affiliate, Fantastic Sams Retail Corporation ("**FSRC**"). FSFC has also offered certain products for sale to Fantastic Sams franchisees since August 5, 2003. FSFC does not franchise any other line of business or own or operate any hair salons. FSRC does not operate any Dessange Salons and has never offered franchises in any line of business. FSFC and FSRC are owned by Fantastic Sams International Corporation ("**FSIC**"), a Delaware corporation, which is itself owned by DGNA (FSIC, FSRC and FSFC shall be collectively referred to as the "**FS Entities**"). FSIC does not own or operate Dessange Salons and does not franchise any line of business. The principal business address for the FS Entities is 500 Cummings Center, Suite 1100, Beverly, Massachusetts 01915.

The Franchise Rights Offered

All Dessange Salons will offer a full menu of French hair styling, hair cutting, hair coloring, and related hair and beauty services ("**Services**") and the sale to customers of related hair care, hair coloring, cosmetics, beauty products, and other personal grooming products at retail ("**Products**"). Salon+Spas will, in addition, offer a full line of skin care and body treatments, waxing, massage therapy, hydrotherapy treatments, and manicure and pedicure treatments ("**Spa Services**") and related Spa products ("**Spa Products**"). Among the Products and Spa Products are products that are proprietary to us and to our affiliates, which may include shampoos, conditioners and treatments, make-up products and skin-care products that are manufactured or prepared according to our specifications and formulas ("**Proprietary Products**"). We may periodically adjust the list of Proprietary Products, for example, to include cosmetics and other hair- and beauty-care items. Additionally, we may specify that only certain Products (such as shampoos, conditioners, color treatments and others) that we designate may be used in providing Services to customers in Dessange Salons ("**Back Bar Products**") and certain Products to be offered for retail sale to customers in Dessange Salons for their personal use outside of the Dessange Salon (such as shampoos, conditioners, styling products and others) ("**Retail Products**"). Dessange Salons will also feature certain Products and Spa Products that you must buy from us, our affiliates, or our designees.

Franchise Agreement

We offer to enter into franchise agreements ("**Franchise Agreements**") with qualified corporations and persons that wish to establish and operate a Dessange Salon. Under a Franchise Agreement, we will grant you the right (and you will accept the obligation) to operate a Salon or a Salon+Spa at an agreed-upon specified location (the "**Approved Location**"). In this disclosure document, "**you**" or "**your**" refers to the person or legal entity with whom we enter into an agreement. If you are a partnership, corporation, or other entity, the term "**you**" also refers to the direct and indirect owners of a corporation, partnership, limited liability company, or limited liability partnership that signs a Franchise Agreement as the "franchisee". A copy of our current form of Franchise Agreement is attached to this disclosure document as Exhibit D-1. Unless otherwise defined in this disclosure document, all initially capitalized terms appearing in this disclosure document have the same meaning as set out in the Franchise Agreement included as Exhibit D-1.

Development Agreement

We also offer to enter into multi-unit development agreements ("**Development Agreements**") with qualified individuals and companies that wish to have the right and obligation to develop at least three Dessange Salons within a specific geographic area ("**Development Area**"). A copy of our current form of Development Agreement is attached to this disclosure document as Exhibit E-1. If we were to sign a Development Agreement with you, you will be required to establish an agreed-upon number of Dessange Salons within the Development Area, at specific locations (to be specified in separate Franchise Agreements). An important part of the Development Agreement is a development schedule (the "**Development Schedule**"), which spells out the number of Dessange Salons that you agree to have established by certain benchmark dates. Each Dessange Salon that you develop will be opened and operated under the terms of a separate Franchise Agreement for that Dessange Salon. The Franchise Agreement for each Dessange Salon you develop under that Development Agreement will be the form in general use by us at the time you are required to sign a Franchise Agreement for each such Dessange Salon, except that Royalty Fees and the maximum Marketing Contribution will be the same as in the

form of a Franchise Agreement disclosed in connection with your execution of the Development Agreement.

Dessange Salons

Each Dessange Salon offers a full menu of Services and Products to guests in a building that bears our trade dress (both interior and exterior). Dessange Salons are characterized by our system (the "**System**"). Some of the features of our System are a distinctive interior and exterior design; equipment layouts and specifications; hair cutting and coloring techniques for Services; innovative and cutting edge hair "collections"; Proprietary Products; operational procedures; quality and uniformity of Services and Products offered; procedures for management and inventory control; training and assistance; and marketing programs; all of which we may periodically change, improve, and further develop. If you develop a Salon+Spa, the System will include design and specifications for spa equipment; training and techniques for providing designated Spa Services and Spa Products.

You must operate your Dessange Salon according to our standards and procedures, as described in our Confidential Operating Manual (the "**Manual**"). We will allow you access to the Manual for the duration of the Franchise Agreement. In addition, we will grant you the right to use our marks, including the marks "DESSANGE" and "DESSANGE Paris" and any other trade names and marks that we designate in writing for use with the System (the "**Proprietary Marks**").

If you (and your affiliates) were to eventually operate 6 or more Dessange Salons, then you would have to hire a supervisor (whom we refer to as an "Area Director") to supervise your Dessange Salons. For each additional 6 Dessange Salons that you (and your affiliates) operate, you would need an additional Area Director. You do not have to pay us any fees for hiring an Area Director (or any other employee in your business). The information in this disclosure document that describes the cost of developing and operating one Dessange Salon would be applicable to more than one Dessange Salon, so that the cost of developing each additional salon would be the same as the first Dessange Salon (except that your initial franchise fee will be discounted as described in Item 5 below).

Industry-Specific Regulations

You must comply with all local, state, and federal laws that apply to your Dessange Salon operations, including for example health, sanitation, no-smoking, EEOC, OSHA, discrimination, employment, and sexual harassment laws. The Americans with Disability Act of 1990 requires readily accessible accommodation for disabled persons and therefore may affect your building construction, site elements, entrance ramps, doors, seating, bathrooms, drinking facilities, etc. For example, you must obtain real estate permits (such as zoning), real estate licenses, and operational licenses. There are also regulations that pertain to the operation, maintenance and sanitation of hair and beauty salons. For example, all stylists in the Dessange Salon that provide Services must maintain a current state cosmetology license at all times. You will also need to obtain permits and approvals required in your locality for your Dessange Salon to offer Salon Services. You must also comply with all applicable federal, state, and local laws and regulations during the operation of your Dessange Salon. You should consult with your attorney concerning those and other local laws and ordinances that may affect the operation of your Dessange Salons.

In some states, there are also regulations issued or enforced (and in some states, licenses required) by a cosmetology board or similar agency that pertain to hair cutting, cosmetologists, estheticians, nail specialists, natural hair styling specialists, hair cutting specialists, waxing

specialists, and certain other services in connection with the operation of the Dessange Salon. You and your hair stylists, and other employees, must comply with all of those laws and regulations, as well as applicable federal, state, and local laws and regulations in connection with the operation of the Dessange Salon. If you operate a Salon+Spa you must also comply with all laws, regulations and licensing requirements relating to the offer and application of Spa Services, including, but not limited to required state licensing of estheticians, waxing specialists, massage therapists and nail technicians. Other than the regulations referred to above, we are not aware of any federal or state laws or regulations that pertain to your operation of the Dessange Salon. You should consult with your attorney concerning those and other local laws and ordinances that may affect your Dessange Salon's operation.

Competition

You can expect to compete in your market with locally-owned, and national and regional chain hair and beauty salons including those operating under the "*Fantastic Sams*" and "*Camille Albane*" trademarks and system owned by our affiliates, all of which may compete with the products and services offered at a Dessange Salon. If you operate a Salon+Spa you will also compete with national, regional and local Spas, Day Spas, Resort Spas and other such businesses that offer Spa Services. The market for these products and services is well-established and highly competitive. Businesses like ours compete on the basis of many factors, such as service quality, price, location, atmosphere, product quality, product appearance, cleanliness, and promotions and marketing programs. These businesses are often affected by other factors as well, such as changes in economic conditions, seasonal population fluctuation, consumer taste, and travel patterns. To the extent that customers may be able to buy "DESSANGE" branded products from other sources (for example, from our website and retail stores, should our products ever be offered in those venues) you may appear to, or actually, compete with other sellers of these branded products.

ITEM 2 **BUSINESS EXPERIENCE**

Unless otherwise indicated, the location of the employer is Beverly, Massachusetts.

Chief Executive Officer, President and Director: Giovanni (John) Costanza

Mr. Costanza has been Chief Executive Officer, President and Director of the FSI Entities, DGNA, the CA Entities and Dessange USA Entities since October 2017. From May 2016 to October 2017, he was General Manager International of Conair Corporation in Ontario, Canada. He was General Manager of L'Oreal Professionnel and Kerastase for L'Oreal Paris in New York City, New York from June 2014 to May 2016. From July 2000 to May 2016, he was General Manager Canada/UK for Sally Beauty - Beauty Systems Group, Canada in Ontario, Canada. He serves in his present capacities in Beverly, Massachusetts.

Interim President, General Counsel, Secretary & Director: Gerald C. Wells

Mr. Wells has been Interim President of us, C.Alb Franchising, C.Alb Salons, CA USA, DGNA, the FS Entities, DSI and Dessange USA since July 2017. He has been General Counsel, Secretary and Director for us, C.Alb Franchising, C.Alb Salons, CA USA, DGNA, the FS Entities, DSI and Dessange USA since September 2014 in Beverly, Massachusetts. From March 2013 to August 2014, he was a partner at Quarles & Brady LLC in Washington, DC and, from July 2006 to March 2014, he was a partner at DLA Piper LLP (US) in Atlanta, Georgia.

Vice President: Philippe Vincent

Mr. Vincent has been our Vice President since April 2011 and a Director of Dessange USA and DSI since April 2011 in Beverly, Massachusetts. He was Secretary of DSI from February 2013 to September 2014, a Director of DGNA since January 2012, and Chief Financial Officer and Director of D. Participations, in Paris, France since October 1999.

Chief Franchise Development Officer: Robert Loffredo

Mr. Loffredo has been Chief Franchise Development Officer of us, C.Alb Franchising, C.Alb Salons, CA USA, DGNA, the FS Entities, DSI and Dessange USA since July, 2017. He was Senior Director of Development and Construction for us, C.Alb Franchising, C.Alb Salons, CA USA, DGNA, the FS Entities, DSI and Dessange USA from June 2015 to July 2017. Between June 2004 and June 2015, he served as Regional Director for the FS Entities for various regions including the New England, New York/New Jersey/Pennsylvania, Michigan, and Southwest regions. He serves in his present capacities in Barrington, Rhode Island.

Vice President of Marketing: Ruth A. Swanson

Ms. Swanson has been Vice President of Marketing for us, the CA Entities, DGNA and DFL since June 2012, and Vice President of Marketing for the FS Entities since February 2010, all in Beverly, Massachusetts. Between May 2008 and January 2010, she was an independent Marketing Consultant based out of Quincy, Massachusetts.

Director of Human Resources and Administration: Cynthia Larkin

~~Ms. Larkin has been Director of Human Resources and Administration for us, C.Alb Franchising, C.Alb Salons, CA USA, DGNA, the FS Entities, DSI and Dessange USA since January 2012. She was Director of Human Resources and Administration for the FS Entities from August 2003 to January 2012. She serves in her present capacities in Beverly, Massachusetts.~~

Director of Finance: Sabrina Lelli

Ms. Lelli has been Director of Finance for us, C.Alb Franchising, C.Alb Salons, CA USA, DGNA, the FS Entities, DSI and Dessange USA since March 2017. She was a Financial Analyst for us, C.Alb Franchising, C.Alb Salons, CA USA, DGNA, the FS Entities, DSI and Dessange USA from June 2016 to March 2017. From June 2015 to July 2016 she was Comptroller for PCVue, Inc. in Woburn, Massachusetts. Between July 2013 and June 2016 she was involved in relocating from France to the United States. From October 2011 to June 2013 she was a Consolidation Financial Analyst for Bouygues Construction in Guyancourt, France. She serves in her present capacities in Beverly, Massachusetts.

Director of Franchise Operations: Carmela Hughley

Ms. Hughley has been the Director of Franchise Operations for us, DGNA and C.Alb Franchising since January 5, 2015. She has been the Regional Director of the Mountain Regions of FSFC since March 2016. From September 2013 to January 2015, she was the Director of Operations and Training for DGNA, all in Beverly, Massachusetts. Between July 2012 and July of 2013, she was the Vice President of Operations for Dreamdry in New York, New York. Prior to 2012, she was the Regional Business Development Manager at ULTA Beauty for the west region. She serves in her present capacities in Denver, Colorado.

Salon Manager: Timothy O'Leary

Mr. O'Leary has been the Manager of the Dessange Salon operated by our affiliate, DSI, at 5468 Wisconsin Avenue, Chevy Chase, MD 20815 since September 2013. From February 2012 until August 2013, he was a Salon Manager for Beauty Salons of America in Miami, Florida. Prior to

that he was a Stylist/Colorist at the Cutler Salon in Miami, Florida from September 2010 until February 2012.

ITEM 3 **LITIGATION**

No litigation is required to be disclosed in this Item.

ITEM 4 **BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item.

ITEM 5 **INITIAL FEES**

Initial Franchise Fee

The Initial Franchise Fee for an individual Dessange Salon is \$55,000, payable when you sign the Franchise Agreement. The Initial Franchise Fee must be paid in lump sum, is not refundable, and will be fully-earned upon receipt.

Our current policy provides that if you already operate a Dessange Salon in the U.S. and you wish to open a second Dessange Salon, the Initial Franchise Fee will be reduced to \$40,000 when you sign the Franchise Agreement for that new Dessange Salon. Additionally, our current policy provides that if you already operate two or more Dessange Salons in the U.S. when you enter into a Franchise Agreement for a subsequent Dessange Salon, then we will reduce the Initial Franchise Fee to \$25,000 for that Dessange Salon. These reductions in fees, of course, are only made available to franchisees who (along with their affiliates) are in compliance with the terms of their other franchise and development agreements with us. We could change the policy related to these reductions in fees in the future.

We may offer a discounted Initial Franchise Fee for the conversion of an existing independently-owned salon or salon and spa business to a Dessange Salon, at our discretion. During our last fiscal year, we reduced the Initial Franchise Fee for one independently-owned salon that converted to a Dessange Salon.

Development Fee

If you wish to acquire the right to develop more than three Dessange Salons, then you will have sign a Multi-Unit Development Agreement (a "Development Agreement") and pay us a non-refundable, lump sum Development Fee when you sign the Development Agreement. The Development Fee is currently \$85,000 for the right to develop three Dessange Salons and for ~~over four or more~~ Dessange Salons the Development Fee will be negotiated by you and us. Once the complete Development Fee has been paid to us, there will be no Initial Franchise Fees for the

Dessange Salons that you are required to open, although you still must sign a Franchise Agreement for each Dessange Salon that you develop under the Development Agreement.

We will discuss with you, and determine by mutual agreement, the number of Dessange Salons that you will be required to develop under a Development Agreement, which will vary based on a number of factors such as: (1) the existing population and anticipated population growth within the Development Area; (2) competition within the Development Area; (3) the availability of locations that are likely to be acceptable within the Development Area; (4) the number of Dessange Salons that we estimate can be developed within the Development Area; and (5) the development schedule for developing Dessange Salons in the Development Area.

During our last fiscal year, we did not enter into any new Development Agreements and, therefore, we have no information to report related to the range of Development Fees we collected.

Initial Training Fees

Your "Managing Member" (this means you, if you are an individual or one of your owners, if you are an entity) and your Salon Manager must both attend our Salon Business Academie training program ("Salon Business Academie") prior to the opening of the first Dessange Salon that you and your affiliates have developed (the "First Salon"). Your Managing Member may serve as your Salon Manager if you obtain our approval for the individual ~~so to~~ serve in both positions. The Salon Manager for all subsequent Dessange Salons that you develop after the First Salon must also attend Salon Business Academie prior to the opening of such subsequent Dessange Salon. There is no training fee for the Managing Member or Salon Manager if they both attend Salon Business Academie at the same time and place. If, however, these individuals attend Salon Business Academie at different times or places there will be no fee for the first to attend but the second to attend at the different time or place (a "Subsequent Training Session"), will pay a training fee of \$1,500 plus a materials fee of \$150. If you desire employees other than your Managing Member or your Salon Manager ("Other Employees") to attend Salon Business Academie at any time, the training fee will be \$1,500 per person plus a materials fee of \$150. The training fee includes instruction, and lunch during the five days of training. The training fee does not include travel, lodging, other meals, personal expenses, wages, benefits, and other compensation to the employees that attend training, and it is not refundable. The Salon Business Academie training program is provided to protect our brand and the Proprietary Marks and not to control the day-to-day operation of your Dessange Salon.

Payment of all training fees and material fees, if applicable, must be made in full before the individual attends Salon Business Academie.

Pre-Opening Purchases from Us

As described further in Items 7 & 8, you must purchase from us certain equipment and supplies necessary to open your Dessange Salon. These items include all shampoo stations, bowls and chairs, your initial order of Proprietary Products, and certain other salon equipment, tools and supplies such as, hair dryers, utility tables, hygiene equipment, brushes and other small accessories including private label hair care tools and appliances, textiles (towels, uniforms etc.), disposables, styling equipment, retail accessories and merchandising materials (bags, packaging, etc.) that we designate (collectively, the "Salon Pre-Opening Order"). If you are developing a Salon+ Spa you also agree to purchase from us certain additional furniture (spa beds, utility tables

and make-up chairs), equipment for Spa Services including spa treatments, and other spa specific small equipment, tools and supplies that we designate ("Spa Pre-Opening Order", herein, together with Salon Pre-Opening Order, referred to collectively as the "Pre-Opening Order"). The Pre-Opening Order shall be paid for, in full, at the time we submit a written invoice to you for such items (the "Pre-Opening Invoice"). You will also be responsible for all cost of shipping and storage for such items as well as any applicable customs duties and/or import taxes or duties. Your failure to pay for the Initial Order within ten (10) days of receipt of the Pre-Opening Invoice shall be deemed a material default of this Agreement. We expect that the purchases of these items will range from \$83,460 to 116,800 for both a Salon and a Salon+Spa (exclusive of the Initial Franchise Fee and Training).

We do not regularly finance or allow installment payments for Initial Franchise Fees, Development Fees, training fees, or other payments. Financing alternatives may be available to qualified candidates from outside financing sources.

Grand Opening Advertising

The Franchise Agreement requires you to develop and spend a minimum amount that we specify in the Franchise Agreement, which we expect to range from \$20,000 to \$30,000. You must complete the Grand Opening Marketing Program during the period from 30 days before, and until 90 days after, your Dessange Salon opens for business. We reserve the right to require that you deposit the funds with us to distribute as necessary to conduct the Grand Opening Marketing Program. This amount is not refundable.

ITEM 6 **OTHER FEES**

Type of Fee (Note 1)	Amount	Due Date	Remarks
Royalty Fee	5% of Gross Sales per week (see Note 2)	By Tuesday of each Week, based on the Gross Sales for the previous Week.	Gross Sales means all revenue related to the Dessange Salon (excluding sales taxes collected and remitted to the proper authorities, customer refunds and coupon sales). Payment must be made by electronic funds transfer using the Automated Clearing House (ACH) Network.
Marketing Contribution	3% of Gross Sales per week	Same as Royalty	Note 2

Type of Fee (Note 1)	Amount	Due Date	Remarks
Salon Business Academie	Free for Managing Member and Salon Manager, if they attend at the same time and place (\$1,500 plus \$150 materials fee for 2 nd to attend if they attend at different time or place). \$1,500 plus \$150 for replacement Salon Managers and for each additional employee that attend at any time.	Before training begins.	See Notes 1, 3 and 4.
Salon Technical Training	Free for initial Salon Technical Training, but we may charge a fee for persons who attend after the initial opening of your Dessange Salon. Currently \$425 per person.	Before training begins.	After the initial Salon Technical Training, any replacement Highly Trained Personnel (defined in Item 11) must successfully completed Salon Technical Training.
Additional Training	Our then-current standard training fee for these programs (our current standard training fee is \$425 per day), and out-of-pocket expenses, if applicable, for additional training that you request at your location or for training replacement Salon Managers.	Before attendance	We may offer or require further training during the franchise term. We have the right to charge a fee, which will usually be in the form of a flat fee plus any out-of-pocket expenses, whether the training is mandatory or optional. Additionally, if you request (and we are able to provide) additional on-site assistance, then you must pay our then-current per diem training charges and out-of-pocket expenses. (our current standard per diem training charge is \$425). (Note 4)

Type of Fee (Note 1)	Amount	Due Date	Remarks
eLearning Fee	Up to \$25.00 Per Week (our current eLearning Fee is \$12.50 per week)	On a Weekly Basis	We may charge this fee for certain on-line internet based training that we provide and/or may develop. We may increase this fee on January 1 each year, according to the Index (See Notes 1 and 5)
Fees relating to POS and Computer System and Software	If we provide computer or communications equipment, software or assistance or services, we may charge a fee. At this time, we expect that that fee could range from \$75-100 per month. At this time, third parties provide these services directly to you.	Upon demand	See Item 11 under the heading "Computer System."
Transfer Fee	\$15,000 or 25% of the then current Initial Franchise Fee for a new franchisee, whichever is greater.	At the time of transfer	Must be paid if you sell or transfer your franchise or ownership in your company.
Renewal Fee	\$15,000 or 25% of the then current Initial Franchise Fee for a new franchisee, whichever is greater	After your 10 year term expires	Must be paid if you wish to renew your franchise rights.
Supplier Testing Fee	Varies – but not to exceed the costs of inspections and testing. We estimate the charges will not exceed \$2,000	Upon your written request to purchase Products or other items from an unapproved supplier	We estimate we will notify you of our decision within 30 days of your written request
Finder's Fee	\$5,000 or 5% of total consideration	Close of escrow or transfer	You only have to pay if you engage Us to identify a buyer for your Dessange Salon. See Note 6.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Interest on Late Payments	18% per year on the overdue payment (Note 7)	On demand	Payable only on overdue amounts, from the date originally due to the date when all principal and interest has been fully paid.
Attorney's Fees and costs	Varies	On demand	Payable only if you default under the Franchise Agreement. If so, you must reimburse us for our costs (including attorneys' fees) in enforcing or terminating the Franchise Agreement.
Audit Costs	All costs and expenses associated with the audit, accounting and legal costs; and interest on the underpayment	Upon demand	Audit costs and expenses are payable only if we audit because you did not submit sales statements or keep books and records, or if sales are underreported by 2% or more. (If there is an underpayment, you will also have to pay interest on the underpayment - see "interest" above.) (See Note 8)
Re- inspection Costs	All our actual costs. We estimate the charges will not exceed \$450	Upon demand	We may require that you participate in independent evaluation service programs and pay the costs for these services. If you receive an unsatisfactory or failing report, you must take remedial actions and reimburse us for all costs that we incur for the evaluation service to re-evaluate your Dessange Salon and for us to re-inspect your Dessange Salon.
Indemnification	Will vary under circumstances	As incurred	See Note 9.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Securities Offering Fee	\$7,500 or our actual expenses, whichever is greater, when you issue your securities. After initial offering, you must simply reimburse us for our costs of reviewing later submissions, filings, etc.	Upon demand	If you (or an affiliate) offer securities, then you must reimburse us for our costs and expenses (including legal and accounting fees) to evaluate your proposed offering and you also must indemnify us (see above).
Liquidated Damages	Will vary under circumstances (Note 10)	On demand.	If the Agreement is terminated because of your default, you must pay us liquidated damages. See Note 10 for calculation.

You will pay the following fees under the Development Agreement:

Type of Fee	Amount	Due Date	Remarks
Transfer Fee	The greater of (a) \$5,000 multiplied by the remaining number of Dessange Salons to be developed under the Development Agreement or (b) \$15,000.	Upon transfer of any interest in Developer	This amount must be paid at the time any interest in Developer is transferred or assigned. The assignment fee specified in the Franchise Agreement for transfer of each Dessange Salon must also be paid at this time. The Development Agreement and development rights granted thereunder are not otherwise transferrable.
Indemnification	Will vary under circumstances	As incurred	See Note 9.

Type of Fee	Amount	Due Date	Remarks
Securities Offering Fee	\$7,500 or our actual expenses, whichever is greater, when you issue your securities. After initial offering, you must simply reimburse us for our costs of reviewing later submissions, filings, etc.	Upon demand	If you (or an affiliate) offer securities, then you must reimburse us for our reasonable costs and expenses (including legal and accounting fees) to evaluate your proposed offering and you also must indemnify us (see above).

Notes:

- (1) General. We impose and collect all fees described above. For all fees and charges, you must use the payment method we designate, which may include electronic funds transfer. All fees are non-refundable. All fees are uniformly applied to new System franchisees and are non-refundable. However, in some instances in which we determine it appropriate to do so, we may waive some or all of these fees for a particular franchisee. Licensees operating under Predecessor License Agreements or successor agreements to the Predecessor License Agreements have a completely different fee structure than the Franchise Agreement.

We have the right to adjust, for inflation, all fixed dollar amounts under the Franchise Agreement, once a year, according to the Index. The term "**Index**" means the Consumer Price Index (1982-84=100; all items; CPI-U; all urban consumers) as published by the U.S. Bureau of Labor Statistics ("**BLS**"). If the BLS no longer publishes the Index, then we will have the right to designate a reasonable alternative measure of inflation.

- (2) Royalty and Marketing Contribution. The Royalty Fee, required contribution to the System-wide Marketing Fund (defined in Item 11 below) (the "**Marketing Contribution**") and eLearning fee are payable on Tuesday of each Week for the preceding Week (each "Week" will start on Monday and end on the following Sunday). These fees will be collected by automatic bank draft each week from your account for the entire term of your Franchise Agreement, starting when you open your Dessange Salon. If you fail to report Gross Sales, we will be authorized to debit your bank account in an amount equal to the amount transferred from your account for any Week that we choose (including your highest grossing sales) for which a report of Gross Sales of the Dessange Salon was provided to us. During the past fiscal year, in various and unique circumstances, our collection of these fees has varied. In addition to the Marketing Contribution, you must also conduct a Grand Opening Marketing Program for the opening of your Dessange Salon. We also encourage you to spend your own funds on local advertising during the term of the Franchise Agreement.

- (3) Replacement Training. As described in Items 5 and 11, your Managing Member and your Salon Manager must both attend Salon Business Academie prior to the opening of the first Dessange Salon that you and your affiliates have developed (the "First Salon"). As noted in Item 5, if approved by us, your Managing Member may serve as your Salon Manager. The Salon Manager for all subsequent Dessange Salons that you develop after the First Salon must also attend Salon Business Academie prior to the opening of such subsequent Dessange Salon.

There is no fee for Managing Member and/or the Salon Manager to attend Salon Business Academie if they both attend the same session at the same time and place. If, however, these individuals attend Salon Business Academie at different times or places there will be no fee for the first to attend but the second to attend at the different time or place (a "Subsequent Training Session"), will pay a training fee of \$1,500 plus a \$150 materials fee. If you desire employees other than your Managing Member or your Salon Manager ("Other Employees") to attend Salon Business Academie the training fee will be \$1,500 per person plus a materials fee of \$150. The training fee includes instruction, and lunch during the five days of training. The training fee does not your costs relating to the travel, lodging, other meals, personal expenses, wages, benefits, and other compensation to the employees that attend training.

If your Salon Manager ceases active management or employment at the Dessange Salon, or if we disapprove the Salon Manager, then you must enroll a qualified replacement in our Salon Business Academie training program within 30 days and pay us a training fee of \$1,500 plus a materials fee of \$150.

If you have purchased your Dessange Salon from another franchisee, and this is your first Dessange Salon, your Managing Member and your Salon Manager must attend Salon Business Academie before you take possession and being operating the Dessange Salon. If you already own and operate at least one Dessange Salon when you purchase another one from an existing franchisee, only your Salon Manager must attend Salon Business Academie. There is no fee for you or your Salon Manager to attend Salon Business Academie if you purchase your Dessange Salon from an existing franchisee. Payment of all training fees and material fees, if applicable, must be made in full before the individual attends Salon Business Academie.

- (4) Additional Training and Expenses. For any training that we provide to you and your personnel, you are responsible for expenses incurred while they attend training, including salaries, benefits, travel, lodging, meals and other related expenses. We reserve the right to charge you for additional training, including repeat training or training of replacement personnel. The training fees may vary depending on the position the individual will serve in your Dessange Salon and the training that we require for their respective positions. Additional details are in Item 11 of this disclosure document. Note 3 above provides information about the fees and costs for additional or replacement personnel to attend training as part of our Salon Business Academie.
- (5) eLearning. We may require your employees (or those of your employees who perform such tasks as we may designate) to obtain additional training through a web-based eLearning program as we may designate. We or our affiliates may be providers of the web-based training, or we may designate a third-party vendor for these services. Currently, we provide the web-based training. If web-based training is required, you agree to pay the fees for such training according to the schedule and terms required by the

service provider of the web-based training program. If we or our affiliates are the service provider, we may require that you pay these fees at the times and in the same manner as Royalty Fees.

- (6) **Finder's Fee.** If you propose to assign any interest in your Franchise Agreement, we may offer our services to assist you in identifying a potential buyer. If you accept our finder's services, you must sign a Finder's Agreement (attached to this disclosure document as Exhibit I) and pay a finder's fee of \$5,000 or 5% of the total consideration paid for the interest in the salon, whichever is greater, at the time that the sale is closed. This fee is in addition to any applicable assignment fee.
- (7) **Interest.** Interest starts to accrue when your payment was initially due. Interest rates will not exceed any maximum rate permitted by law.
- (8) **Audit Costs.** If audit costs are incurred at all, the amount will vary depending upon the charges from our auditors, legal advisors and other professionals. These costs will be based on the fees charged by these professionals, travel costs, the scope of the audit needed, the degree to which you cooperate in terms of providing information, and the time it takes the auditors to review your records.
- (9) **Indemnification.** You must indemnify us, and reimburse us for our costs (including our attorneys' fees), if we are sued or held liable in any case: (a) having anything to do with any securities offering you make; (b) your use of the marks (other than as we approve); or (c) that has anything to do with a claim arising out of the operation of your Dessange Salon.
- (10) **Liquidated damages.** If the Franchise Agreement is terminated due to your default, then liquidated damages will be an amount calculated as follows: (a) the average of your Royalty Fees that were due for the last 12 months before our delivery of notice of default (or, if you were open for fewer than 12 months, the average over the number of months you had been operating before our delivery of notice of default); (b) multiplied by the lesser of 36 or the number of months remaining in the term of this Agreement.

ITEM 7 **ESTIMATED INITIAL INVESTMENT**

YOUR ESTIMATED INITIAL INVESTMENT

Dessange Salon (Without Spa)

Type of Expenditure	Amount (Low-High)	Method Of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (Notes 1 and 2)	\$55,000	Lump Sum	When you sign the Franchise Agreement	Us
Training Fee (Note 3)	\$0 - \$1,650	Lump Sum	Before Training begins	Us

Type of Expenditure	Amount (Low-High)	Method Of Payment	When Due	To Whom Payment Is To Be Made
Travel and Living Expenses For You and Your Employees During Training (Note 4)	\$1,500 - \$3,000	As Incurred	During Training	Airlines, Hotels & Restaurants
Leasehold Improvements/General Construction (including architectural fees) (Note 5)	\$199,000 - \$250,000	As Incurred	Before you open your Dessange Salon	Landlord, Suppliers & Contractors
Rent (Note 6)	\$47,250 - \$93,750	Lump Sum	Before you open your Dessange Salon	Landlord & Suppliers
Utility Deposits (Note 7)	\$1,000 - \$2,000			
Initial Salon Product Inventory (Note 8)	\$11,500 - \$23,000	As Incurred	Before you open your Dessange Salon	Us or Other Suppliers
Shampoo Stations, Bowls and Chairs (Note 9)	\$60,000 - \$80,000	Lump Sum	Before you open your Dessange Salon	Us
Other Furniture Fixtures, and Equipment (Note 10)	\$90,000 - \$120,000	Lump Sum	Before you open your Dessange Salon	Suppliers
Salon Tools and Supplies (Note 11)	\$20,700 - \$28,750	As Incurred	Before you open your Dessange Salon	Us or Other Suppliers
Signage	\$10,000 - \$20,000	Lump Sum	Before you open your Dessange Salon	Suppliers
Advertising (first 90 days) (Note 12)	\$25,000 - \$35,000	As Incurred	As Arranged	Suppliers
Insurance (Note 13)	\$2,500 - \$3,200	Non-refundable as required	As Incurred	Insurance Company
Additional Funds - 3 Months (Note 14)	\$100,000 - \$125,000	As Incurred	As Arranged	Employees, Suppliers & Utilities
TOTAL (Note 15)	\$623,450 - \$840,350			

Dessange Salon+Spa

Type of Expenditure	Amount (Low-High)	Method Of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (Notes 1 and 2)	\$55,000	Lump Sum	When you sign the Franchise Agreement	Us
Training Fee (Note 3)	\$0 - \$1,650	Lump Sum	Before Training begins	Us
Travel and Living Expenses For You and Your Employees During Training (Note 4)	\$1,500 - \$3,000	As Incurred	During Training	Airlines, Hotels & Restaurants
Leasehold Improvements/General Construction (including architectural fees) (Note 5)	\$293,000 - \$347,000	As Incurred	Before you open your Dessange Salon	Landlord, Suppliers & Contractors
Rent (Note 6)	\$63,000 - \$120,000	Lump Sum	Before you open your Dessange Salon	Landlord & Suppliers
Utility Deposits (Note 7)	\$1,000 - \$2,000	As Incurred	Before you open your Dessange Salon	Utility Companies
Initial Salon Product Inventory (Note 8)	\$11,500 - \$23,000	As Incurred	Before you open your Dessange Salon	Us or Other Suppliers
Shampoo Stations, Bowls and Chairs (Note 9)	\$60,000 - \$80,000	Lump Sum	Before you open your Dessange Salon	Us
Other Furniture Fixtures, and Equipment (Note 10)	\$120,000 - \$130,000	Lump Sum	Before you open your Dessange Salon	Suppliers
Salon Tools and Supplies (Note 11)	\$20,700 - \$28,750	As Incurred	Before you open your Dessange Salon	Us or Other Suppliers
Signage	\$10,000 - \$20,000	Lump Sum	Before you open your Dessange Salon	Suppliers
Advertising (first 90 days) (Note 12)	\$25,000 - \$35,000	As Incurred	As Arranged	Suppliers
Insurance (Note 13)	\$2,500 - \$3,200	Non-refundable as required	As Incurred	Insurance Company

Type of Expenditure	Amount (Low-High)	Method Of Payment	When Due	To Whom Payment Is To Be Made
Additional Funds - 3 Months (Note 14)	\$125,000 - \$175,000	As Incurred	As Arranged	Employees, Suppliers & Utilities
SPA Furniture Package (Note 16)	\$30,000 - \$35,000	As Incurred	As Arranged	Suppliers
Spa Tools & Supplies (Note 17)	\$10,000 - \$15,000	As Incurred	As Arranged	Suppliers
Initial Spa Product Inventory (Note 18)	\$7,500 - \$9,000	As Incurred	As Arranged	Suppliers
Other Spa Furniture, & Equipment (Note 19)	\$10,000 - \$12,000	As Incurred	As Arranged	Supplier
TOTAL (Note 15)	\$845,700 - \$1,094,600			

DEVELOPMENT AGREEMENT

Type of Expenditure	Amount (Low-High)	Method Of Payment	When Due	To Whom Payment Is To Be Made
Development Fee (Note 2)	\$85,000	Lump Sum	When you sign the Development Agreement	US
Initial Investment for three Dessange Salons (excluding Initial Franchise Fee)	\$568,450 - \$1,039,600	Varies (see chart above for Single Salon or Salon+Spa)	Varies (see chart above for Single Salon or Salon+Spa)	Varies (see chart above for Single Salon or Salon+Spa)
TOTAL (Note 15)	\$653,450 -\$1,124,600			

Notes:

The Charts above describe your initial investment for a single, new Salon and Salon+Spa. Please read these charts together with the notes below. None of the fees or costs estimated in this Item 7 are refundable except to the extent that you can negotiate those arrangements with vendors. Payments to us are not refundable.

We do not offer direct or indirect financing for any items. The availability and terms of financing from other sources will likely depend on factors such as the availability of financing generally, your creditworthiness, and the policies of lending institutions.

- (1) Initial Franchise Fee. The details of the Initial Franchise Fee are described in Item 5, including the amount and the fact that the Initial Franchise Fee is non-refundable. If you already operate one Dessange Salon in the U.S. at the time you enter into a Franchise Agreement, the Initial Franchise Fee for your second Dessange Salon in the U.S. will be reduced to \$40,000. If you operate two or more Dessange Salons in the U.S. at the time you enter into a Franchise Agreement for a subsequent Dessange Salon, then we will

reduce the Initial Franchise Fee to \$25,000 for that Dessange Salon (this assumes that you and your affiliates are in full compliance with all of your obligations under the other franchise and development agreements). The Initial Franchise Fee must be paid in a lump sum, is not refundable, and will be fully-earned when we receive it from you. See Item 5 for more details.

- (2) Development Fee. If you wish to sign a Development Agreement to develop multiple Dessange Salons, then you must pay us a non-refundable Development Fee in a lump sum when you sign the Development Agreement. The Development Fee is currently, \$85,000 for three Dessange Salons and for four or more Dessange Salons the Development Fee will be negotiated by you and us. Once you have paid the Development Fee, you will not be required to pay Initial Franchise Fees for the Dessange Salons that you are required to open, although you must sign a Franchise Agreement for each Dessange Salon you develop under the Development Agreement.

Therefore, we have not provided an additional chart for the Development Agreement, because your estimated initial costs for a Development Agreement are the same as (or, in virtually all cases) or less than the costs (on a per-franchise basis) as those listed in this chart for an individual franchise.

- (3) Training Fee. As described in Items 5 and 11, your Managing Member and your Salon Manager must both attend our Salon Business Academie prior to the opening of the First Salon. Your Managing Member may serve as your Salon Manager if you obtain our approval for the individual so serve in both positions. The Salon Manager for all subsequent Dessange Salons that you develop after the First Salon must also attend Salon Business Academie prior to the opening of such subsequent Dessange Salon. There is no fee for Managing Member and/or the Salon Manager to attend Salon Business Academie if they both attend the same session at the same time and place. If, however, these individuals attend Salon Business Academie at different times or places there will be no fee for the first to attend but the second to attend at the different time or place (a "Subsequent Training Session"), will pay a training fee of \$1,500 plus a \$150 materials fee. If you desire employees other than your Managing Member or your Salon Manager ("Other Employees") to attend Salon Business Academie the training fee will be \$1,500 per person plus a materials fee of \$150. The training fee includes instruction, and lunch during the five days of training. The training fee does not include travel, lodging, other meals, personal expenses, wages, benefits, and other compensation to the employees that attend training. If your Salon Manager ceases active management or employment at the Dessange Salon, or if we disapprove the Salon Manager, then you must enroll a qualified replacement in our Salon Business Academie training program within thirty 30 days and pay us a training fee of \$1,500 plus a materials fee of \$150. In the event that we determine that we disapprove of an individual to serve as the position of Salon Manager, then upon our decision we will notify you of the disapproval.

Payment of all training fees and material fees, if applicable, must be made in full before the individual attends Salon Business Academie.

- (4) Training Expenses. The estimate provided for Travel and Living Expenses during Salon Business Academie is a general figure and will vary depending upon the number of people sent, accommodations available, distance traveled and a variety of other factors. The lower estimate described above approximates the cost for one person attending (i.e., if your Managing Member is also your Salon Manager), while the higher estimate approximates the cost for two people attending.
- (5) Leasehold Improvements and General Construction: Our estimate for leasehold improvement costs is based on the following parameters: (i) a Salon that is 2,100 square feet to 2,500 square feet, and costs ranging from \$95 to \$100 per square foot and (ii) a Salon+Spa that is 2,800 square feet to 3,200 square feet, and costs ranging from \$105 to \$108 per square foot. You must modify your Dessange Salon location to meet our standards of decor established for Dessange Salons ("leasehold improvements"). You may be adapting a location that was previously a hair salon or you may choose to build an entirely new salon in the premises. Costs of leasehold improvements for all Dessange Salons may include, but are not limited to, architectural and engineering fees, building permit and inspection fees, demolition of existing improvements to the premises, construction of building shell (i.e., walls, ceiling, doors, storefront, etc.), ADA upgrades, electrical, lighting, plumbing, sanitary sewer, bathrooms, HVAC, prefabrication and installation of cabinetry and other fixtures, floor covering, wall treatment, carpentry and related work and contractors' fees, and any other cost related to construction of your Dessange Salon. Costs are likely to vary due to many factors (for example, the location and size of the Dessange Salon, the condition of any existing premises and any construction allowances granted by the landlord after negotiations), and may be much higher, if you wish to establish your Dessange Salon in an area where special requirements of any kind (such as historical, architectural, or preservation requirements) will apply. As noted in Items 1 and 7 and in Note 15 below, if you develop a Salon+Spa, the size of the premises occupied by the Salon+Spa will be from 2,800 to 3,200 square feet, which is significantly larger than a Salon, which generally occupies 2,100 to 2,500 square feet. The larger premises are necessary to accommodate a dedicated area for you to perform Spa Services which typically includes a guest waiting room, relaxation room, changing area, a minimum of 4 treatment rooms, including: 2 skincare rooms, 1 body care room and 1 waxing room. The leasehold improvement costs reflected in the Item 7 Chart labeled "Dessange Salon+Spa" reflects the additional costs resulting from the build-out of the larger premises, the areas dedicated to providing Spa Services referred to in the preceding sentence, as well as the installation of the Spa Equipment referred to in Note 15 below. The costs of leasehold improvements, including architectural expenses, depending on the lease, may be amortized over the lease term thus increasing the rent, or the landlord may provide a cost allowance for leasehold improvements. In some cases, leasehold improvements must be paid in full by you. Due to variable materials and labor costs, leasehold improvement costs cannot be estimated with precision. The higher figure in the Charts assumes you pay the full cost of leasehold improvements before opening your Dessange Salon.
- (6) Rent: Our estimate for rental costs is based on an assumption that the typical Salon occupies 2,100 square feet to 2,500 square feet, with annual rent costs falling in the range of \$90 to \$150 per square foot, and the typical Salon+Spa occupies 2,800 square feet to 3,200 square feet, with annual rent costs falling in the range of \$90 to \$150 per square foot. These figures may vary, of course, depending upon the market in your area. The rental cost is calculated at net rent, which does not include common area maintenance fees, which may be charged on a monthly, quarterly or yearly basis. Your security deposit

equals approximately 1 to 2 month's rent. Depending on the landlord, you may be required to pay a security deposit as well, which is typically equal to 1 month's rent. The typical lease term is a 5 year lease with one option to renew for an additional 5 years. We anticipate that you will probably need to lease a space at least 3 months in advance of the opening; however, you may attempt to negotiate rent abatement from the landlord. The estimate assumes that you will have to pay a security deposit equal to 1 month's rent and that you will have to pay for 2 months of rent before you open for business. Therefore, the entire Item 7 chart assumes the payment of 6 months' rent (security, plus the pre-opening period, plus the 3 months after you open).

- (7) Utility Deposits. This figure reflects the estimated costs for various utility deposits.
- (8) Initial Salon Products Inventory. This figure represents the cost of the initial inventory of Products such as shampoo, conditioner, color and treatments that you will need to provide Services and for retail sale when you open your Dessange Salon. You will be required to purchase all Proprietary Products from us or our affiliates. You must buy all other Products and Spa Products only from an approved supplier, which may include us. We estimate that the range given will be sufficient to cover a supply for approximately 90 days following the opening of your Dessange Salon. The amounts quoted assume cash payment.
- (9) Shampoo Stations, Bowls and Chairs. You must purchase certain salon equipment, including shampoo stations, bowls and chairs only from us or our affiliate. The amounts quoted assume cash payment. The cost of these items includes an estimated amount of \$20,000 to cover shipping and customs duties for all items shipped from Europe from where they are currently manufactured and distributed. This amount may be larger depending on where the items are being shipped from and to, and may be less if and when we approve a source for these items in the U.S.
- (10) Other Furniture, Fixtures & Equipment. Other salon equipment and fixtures such as styling stations, color stations, make-up stations, reception station, retail display cases, dryers, POS System (including training on the POS System), video systems, etc., must be acquired before the opening of your Dessange Salon. If purchased, the price to you for a Salon is approximately \$90,000 to \$120,000, and \$120,000 to \$130,000 for a Salon+Spa. You may choose to lease the equipment; however, there is no leasing program available through us for salon equipment. You may purchase or lease the equipment from any approved supplier. The estimates provided assume cash payment for the equipment necessary to furnish a 9 station salon. The amounts quoted assume cash payment.
- (11) Salon Tools and Supplies. This figure represents the cost of the initial non-technical Salon Supplies such as uniforms, combs and brushes, miscellaneous hairstyling accessories, bags and packaging, point of purchase materials and displays, and office supplies that you will need to open and operate your Dessange Salon. You will be required to purchase your initial inventory all of these items from us or our affiliates. You must buy all other Dessange Salon supplies only from an approved supplier, which may include us. We estimate that the range given will be sufficient to cover a supply for approximately 90 days following the opening of your Dessange Salon. The amounts quoted assume cash payment.
- (12) Opening Advertising. Advertising is essential to the successful operation of a Dessange Salon. As described in Item 6, we require that you make Marketing Contributions (3% of your gross revenues) to the System-wide Marketing Fund. Additionally, advertising during the first 3 months is crucial to the eventual success of the salon. Therefore, (in addition to

making your Marketing Contributions) we require that you must conduct a Grand Opening Marketing Program in conjunction with the Dessange Salon opening according to the plan that you develop and we approve in writing. You must spend on the Grand Opening Marketing Program a minimum amount that we will specify in the Franchise Agreement, which we expect to range from \$25,000 to \$35,000. The specified minimum expenditure will be identified in Exhibit A of the Franchise Agreement before you and we sign the Franchise Agreement. You must complete the Grand Opening Marketing Program during the period from 30 days before, and until 60 days after, the Dessange Salon opens for business. These amounts will be paid to local media suppliers for targeted digital campaigns, newspapers, advertising, radio advertising, television advertising and/or direct mail advertising. We reserve the right to require that you deposit the funds with us to distribute as necessary to the third-party providers used to conduct the Grand Opening Marketing Program (although we do not currently require this to be done).

- (13) **Insurance.** You must maintain the minimum insurance coverage set forth in the Franchise Agreement. For all insurance, you must include us as additional insureds as well as furnish us with proof of that coverage every 12 months. Because insurance premiums vary greatly with companies and with business insurance packages, it is difficult to give an exact figure or even an approximate figure for the annual or monthly insurance costs. Insurance fees are paid to an insurance agency, person or entity chosen by you. The estimate is for the first 3 months of premium for the policies required under the Franchise Agreement.
- (14) **Additional Funds.** You will need capital to support on-going expenses, such as payroll and utilities, to the extent that these costs are not covered by sales revenue. New businesses often generate a negative cash flow. We estimate that the amount given will be sufficient to cover on-going expenses for the start-up phase of the business, which we calculate to be 3 months. If your cash flow covers some or most of these expenses, you may need less than these amounts during the start-up phase of your business. This is only an estimate, however, and there is no assurance that additional working capital will not be necessary during this start-up phase or after.

Your credit history could impact the amount (and cost) of funds needed during the start-up phase. If you have no credit history or a weak credit history suppliers may give you less favorable lending and payment terms, which might increase the amount of funds you will need during this period.

You will need to have staff on-hand for at least 30 days before opening to prepare the Dessange Salon for opening, training, orientation, and related purposes. For a Salon, this will include a Salon Manager, a receptionist, a minimum of 3 stylists, 2 colorists, 1 nail technician and an assistant. If you develop and operate a Salon+Spa, you will also need to employ at least 2 estheticians and 1 massage therapist before you open. We estimate that for both a Salon and a Salon+Spa, you will need approximately 520 hours of Salon Manager time at an average of \$31.25 an hour and 4,160 hours of staff time (for a Salon) and 5,720 hours of staff time (for a Salon+Spa), at an average of \$12 per hour, to get ready for your opening and for the first 60 days immediately following the Dessange Salon opening. If prevailing wage rates in your area change (for example, if the state or federal minimum wage is raised), your costs may be higher. This amount may be lower if you or one of your owners acts as Manager of the Dessange Salon during this period without salary.

You will also need to pay rent for the second and third months following opening (the first months' rent is included in the Item 7 column labeled "Rent" and in Note 5, above).

The figures in the charts and the explanatory notes are only estimates. Your actual costs may vary considerably, depending, for example, on factors such as: local economic conditions; the local market for the Dessange Salon; timing of your Dessange Salon opening; the prevailing wage rate; competition; the sales level achieved during the initial period of operation; and your management and training experience, skill, and business acumen.

You should review these figures carefully with a business advisor before making any decision to purchase the franchise. You should take into account the cash outlays and probable losses that you may incur while you are trying to get established. Extensive start-up costs may be involved, depending upon your circumstances.

- (15) Total: We relied on our own business experience and the experience operating and franchising Dessange Salons in the U.S. and of our affiliate, Dessange International SAS, in operating and franchising Dessange Salons outside of the United States, when preparing these figures. You should review these estimates on your own, preferably with a business advisor of your own choosing.
- (16) Spa Furniture Package. As noted in Item 1 and Item 7, there are two (2) formats for Dessange Salons; a Salon without a spa and one with a Spa ("Salon+Spa). If you develop a Salon+Spa, the size of the premises occupied by the Salon+Spa will be from 2,800 to 3,200 square feet, which is significantly larger than a Salon, which generally occupies 2,100 to 2,500 square feet. The larger premises are necessary to accommodate a dedicated area for you to perform Spa Services which typically includes a guest waiting room, relaxation room, changing area, a minimum of 4 treatment rooms, including, 2 skincare rooms, 1 body care room and 1 waxing room. The additional equipment referred to in this item is installed in the Spa area, and will include, among other things, heated spa beds, facial/massage tables and beauty chairs, manicure stations with stools, pedicure stations and chairs, utility tables and make-up chairs. You must purchase these items from a designated supplier(s).
- (17) Spa Tools and Supplies. This figure represents an estimate of additional spa tools and supplies you will need to purchase if you develop a Salon+Spa, including spa specific textiles, small equipment for facial and body treatments, manicures and other beauty services and disposable supplies such as gloves, hair & shower caps, slippers, spa bed covers and other spa related supplies. You must purchase your initial order of all Spa Tools and Supplies from a designated supplier.
- (18) Initial Spa Product Inventory. This figure represents an estimate of initial order of spa product inventory you will need in order to provide facial and body treatments, manicures and other beauty services, if you purchase and develop a Salon+Spa. You must purchase your initial order of Spa Products from a designated supplier(s).
- (19) Other Spa Equipment. This figure represents an estimate of additional spa-specific equipment you will need to purchase if you develop a Salon+Spa, including: hood hair dryers, spa-specific hygiene equipment and utility tables for providing Spa Services. You must purchase this Spa Equipment from us or our affiliates.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

General

To ensure that the highest degree of quality and service is maintained, you must operate the Dessange Salon in strict conformity with the methods, standards, and specifications as we may periodically prescribe in the Manual or otherwise in writing.

At all times during the term of the Franchise Agreement, you must:

- offer only those Services and sell only those Products for which we have given our written approval;
- sell and offer for sale all of the Services and Products that we require;
- in providing Services to customers, use only Back-Bar Products and the preparation standards and techniques, that we specify in writing;
- not deviate from our standards and specifications, including our requirements concerning Services and Products, unless you have received our prior written consent; and
- stop selling and offering for sale any Services or Products that we at any time disapprove.

If you deviate (or propose to deviate) from our standards and specifications, whether or not we have approved, the deviation will become our exclusive property.

Additionally, we have the right to designate certain Products (including Proprietary Products) as Retail Products and/or as Back-Bar Products. We may limit Retail Products and Back-Bar Products to only Proprietary Products or third-party products that we designate. You may not offer for resale any products that we have designated as solely Back-Bar Products, and you also may not sell any products that we have not designated or approved as Retail Products.

Suppliers and Specifications. You must buy all Products (including Back Bar Products and Retail Products) supplies, other supplies, materials, and other products used or offered for sale at the Dessange Salon only from suppliers (including manufacturers, distributors, and other sources) that we have approved in writing. When considering whether to approve any particular possible supplier, we will consider (among others) the following factors: whether the supplier can demonstrate, to our reasonable satisfaction, the ability to meet our then-current standards and specifications; whether the supplier has adequate quality controls and capacity to supply the System's needs promptly and reliably; and whether the supplier's approval would enable the System, in our sole opinion, to take advantage of marketplace efficiencies. You may not buy from any supplier that we have not yet approved in writing, and you must stop buying from any supplier who we approve, but later disapprove. As explained above, we have the right to designate only

one supplier for certain items (such as distribution of products, beverages, etc.) in order to take advantage of marketplace efficiencies.

If you want to buy any Products or any other items (except for Proprietary Products, which are discussed below) from an unapproved supplier, you first must submit to us a written request asking for our approval to do so. You may not purchase from any proposed new supplier until we have reviewed and, if we think it is appropriate, approved in writing the proposed new supplier. Among other things, we will have the right to require that our representatives be permitted to inspect the proposed new supplier's facilities, and that samples from that supplier be delivered either to us or to an independent laboratory that we designate for testing. Either you or the proposed new supplier must pay us a fee (which will not exceed the reasonable cost of the inspection and the actual cost of the tests). We also may require that the proposed new supplier comply with certain other requirements that we may deem appropriate, including for example payment of reasonable continuing inspection fees and administrative costs, or other payment to us by the supplier on account of their dealings with you or other franchisees, for use, without restriction (unless otherwise instructed by the supplier) and for services that we may render to our suppliers. We reserve the right, at our option, to periodically re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier does not continue to meet any of our then-current criteria.

Although the Franchise Agreement does not obligate us to notify you of our approval or disapproval of a supplier within a specified time, we estimate that we will notify you of approval or disapproval within 30 days of our receipt of your written request. This is only an estimate, and the actual approval time may be shorter or longer than 30 days; in any event, we will notify you in writing of supplier approval or disapproval within 60 days from our receipt of your written request. Similarly, we estimate that our current charges associated with reviewing and approving a proposed supplier will not exceed \$2,000.

The Franchise Agreement also provides that you may not use any item bearing our trademarks without our prior written approval.

We may periodically establish distribution facilities, and we may designate these as approved (or required) manufacturers, suppliers, or distributors.

You must allow us or our agents, at any reasonable time, to remove samples of Products used in or offered at your Dessange Salon, without payment, in amounts reasonably necessary for testing by us or an independent laboratory to determine whether those samples meet our then-current standards and specifications. We may require you to bear the cost of that testing if we did not previously approve in writing the supplier of the item or if the sample that we take from your Dessange Salon fails to conform to our specifications.

You agree not to install or permit anyone else to install at the Dessange Salon any vending machine, game or coin operated device, unless we have given you our prior written consent to do so.

We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products or services to some or all of the Dessange Salons in our System. If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all Products and Proprietary Products and other products and services, and we may refuse to approve proposals from franchisees to add new suppliers if we believe that action would be in the best interests of the System or the franchised network of Dessange Salons. Our criteria for evaluating and approving proposed suppliers will not be made available to you. Except as described in this Item 8, we do not provide any material benefits to you based on your use of designated or approved suppliers.

Purchasing or Distribution Cooperatives and Purchase Arrangements. We plan in the future to negotiate purchasing arrangements (including price terms) with certain suppliers regarding various services and products. In doing so, we intend to seek to promote the overall interests of the System and our interests as franchisor. Currently, there are no purchasing or distribution cooperatives in existence.

Supplier Rebates. We and our affiliates reserve the right to collect and retain certain manufacturing allowances, marketing allowances, rebates, credits, monies, payments and benefits (collectively, "**Allowances**") offered to us or to our affiliates by manufacturers, suppliers and distributors based upon your purchases of Products, and other goods and services. We and our affiliates have several arrangements in effect with suppliers of hair care products and supplies under which we and/or our affiliates will receive Allowances based on the purchases by Dessange Salons' (including franchisees' Dessange Salons) of items required to establish and operate Dessange Salons. The range or precise level of Allowances that we and/or our affiliates may receive from these suppliers will vary based on a variety of factors, including the particular product or services involved and the volume of purchases, but we expect these to be in the range of 5% to 15% of Dessange Salons' purchases from those vendors, in the aggregate.

Proprietary Products. You must buy all of your requirements for Proprietary Products only from us, our affiliate, or from our designee(s), as described below. We will have the right to periodically introduce additional Proprietary Products. Proprietary Products are considered integral components of the franchise and are inextricably interrelated with the Proprietary Marks and the System.

The Proprietary Products that are offered and sold in Dessange Salons are manufactured in accordance with the trade secret standards, and specifications that we or our affiliates own. In order to maintain the high standards of quality and uniformity associated with Proprietary Products sold at all Dessange Salons in the System, you may not offer or sell any Proprietary Item that has not been purchased from us, our affiliate, or our designated supplier.

During the period from January 1, 2016 through December 31, 2016 we had revenues from Allowances and the sale of Products (including Proprietary Products) to Dessange franchisees in the U.S. operating under the Predecessor License Agreements of \$165,136, which constituted 70% of our total revenue of \$234,333 for that period. The source of this information is our audited financial statements.

Specific Requirements in Effect

Dessange Salons will use various furniture, furnishings, hair care and styling equipment and products to provide Services to customers. Dessange Salons will also offer for sale items that we approved as Retail Products for sale to customers at the Dessange Salon. At the present, we require that franchisees use certain designated vendors for various Products, equipment, furniture and other services as described below.

Purchases from us or our affiliates. Currently, we are the only approved vendor of Proprietary Products (including *DESSANGE Paris*, *Phytodess*, *Natural Pigma*, *Code* and *Luxe* hair products), shampoo stations, shampoo chairs, salon chairs, uniforms, private label hair care tools and appliances. You must also purchase your initial inventory of non-technical Salon supplies (such as uniforms, towels, bags and packaging, etc.) from us prior to opening your Dessange Salon. In the future, our affiliates may be the supplier for the Proprietary Products and non-technical Salon supplies.

Except for the items that are purchased from us or our affiliates, none of our officers owns an interest in any companies that are vendors or suppliers to our franchisees.

Hair Color Products: You must purchase all hair color products used in the Dessange Salon in providing Services and for retail sale to customers only from suppliers that we designate ("Color Products").

Computer System and Required Software. We have the right to require you to purchase the computer system and required software that we specify. The Computer System is described in more detail in Item 11, and the estimated costs are described in Item 11. Please refer to Item 11 for detailed disclosure (which can be found under the subheading "Electronic Point-Of-Sale and Computer Systems").

Insurance. Under the Franchise Agreement, you must obtain and maintain the following insurance:

- coverage against direct physical loss or damage to real and personal property, including improvements and betterments, for all-risk perils (including flood and earthquake if available and the relevant property is situated in a flood or earthquake zone) equal to at least 90% of the Dessange Salon's full insurable value;
- comprehensive general liability insurance, written on an occurrence basis, extended to include contractual liability, products and completed operations, and personal and advertising injury, with a combined bodily injury and property damage limit of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate;
- statutory workers' compensation insurance and employers' liability insurance as required by the law of the state in which the Dessange Salon is located, including statutory workers' compensation limits and employers' liability limits of at least \$1,000,000;
- business interruption insurance to cover at least your obligations for leases, royalties, Marketing Contribution obligations, fixed costs, and other recurring expenses for a

period at least 6 months after an interruption of business operations.

- commercial umbrella liability insurance with total liability limit of at least \$4,000,000; and
- all other insurance coverages that we require in the Manual or that is required by law or by the lease or sublease for the Dessange Salon.

See the Franchise Agreement for more detailed specifications on insurance. Each insurance policy required under the Franchise Agreement must be issued by an issuer we approve, who must have a rating of at least "A -" in the most recent *Key Rating Guide* published by the A.M. Best Company (or another rating that we reasonably designate if A.M. Best Company no longer publishes the Key Rating Guide) and must be licensed to do business in the state in which the Dessange Salon is located. All liability and property damage policies must name us as additional insureds and must provide that each policy cannot be cancelled unless we are given 30 days' prior written notice. We may periodically increase required coverage limits or require additional or different coverage to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards and other relevant changes in circumstances. You must deliver to us (and in the future maintain on file with us) valid and current certificates of insurance showing that all required insurance is in full force and effect.

Grand Opening Marketing and Ongoing Advertising. You must conduct a Grand Opening Marketing program in compliance with a grand opening marketing plan that you develop and that we approved in writing. We have the right to require that you deposit the funds with us to distribute as necessary to conduct the Grand Opening Marketing Program. We encourage you to spend additional monies on advertising for your Dessange Salon. For any advertising that you conduct, you must comply with all our standards and requirements, including use of approved advertising and marketing materials, placement and purchase of advertising and marketing materials and media, and compliance with our guidelines.

Required Purchases or Leases as Percentage of Overall Purchases or Leases. We estimate that your purchases from approved suppliers according to our specifications will represent approximately 95% of your total purchases in establishing the Dessange Salon, and approximately 95% in the continuing operation of the Dessange Salon.

We estimate that your purchases of Proprietary Products will represent approximately 8% to 9% of your total purchases in establishing your Dessange Salon, and approximately 45% to 55% of your total purchases of hair care products in the continuing operation of the Dessange Salon (on average). The prices charged for Proprietary Products may vary by geographic area.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Section(s) in Franchise Agreement	Section(s) in Development Agreement	Disclosure Document Item(s)
a Site selection and acquisition/lease	1, 5, Lease Rider (Ex. F) and Site Selection Addendum (Ex. G)	6.2 and 6.3	7 and 11
b Pre-opening purchases/leases	4.8, 5 and 7	Not Applicable	7 and 8
c Site development and other pre-opening requirements	3.2, 3.3, 3.8, 5, and 13.6	6.3	7 and 11
d Initial and ongoing training	2.2.2, 3.1, 6, 8.2.4 16.5.8	Not Applicable	11
e Opening	5.8 and 8.2	Not Applicable	11
f Fees	2.2.9, 4, 6.4.2; 6.4.11; 16.5.9; 16.11 and 18.11	4 and 8.5.7	5 and 6
g Compliance with standards and policies/Manual	1.2.4; 1.5.3, 2.2.4; 3.4, 5, 6.4.6; 6.5.3; 7; 8.1, 8.2; 8.6; 10; 13.3; 14; 15.1; 16.5; 28.7	Not Applicable	11
h Trademarks and proprietary information	1.1, 1.4; 5.7.4; 6.5.3; 7.1; 7.2; 8.5 9; 17 and 18;	1.2	13 and 14
i Restrictions on products/services offered	1.5, 7.2 and 8.6.	Not Applicable	16
j Warranty and customer service requirements	8.6	Not Applicable	
k Territorial development and sales quotas	1.3, 1.4 and 1.5	2 and Ex. A	12
l Ongoing product/service purchases	7 and 8.6	Not Applicable	8
m Maintenance, appearance and remodeling requirements	2.2.4, 5.7 – 5.10, and 16.5.5	Not Applicable	11

	Obligation	Section(s) in Franchise Agreement	Section(s) in Development Agreement	Disclosure Document Item(s)
n	Insurance	15	Not Applicable	7 and 8
o	Advertising	3, 4, 6 and 13	Not Applicable	6 and 11
p	Indemnification	21.4, 21.5, and Ex. B	14.4	6
q	Owner's participation/management/staffing	6, 8, 16, 19.1 and 28.7	Not Applicable	11 and 15
r	Records/reports	4.2, 8.4, 8.8 and 12	Not Applicable	6
s	Inspections/audits	3.8, 7.1.6, 8.6, 8.8 and 12	Not Applicable	6 and 11
t	Transfer	8.7 and 16	8	17
u	Renewal	2.2	Not Applicable	17
v	Post-termination obligations	18	11	17
w	Non-competition covenants	19	12	17
x	Dispute resolution	27	20	17
y	Taxes/permits	20	13	1
z	Other: Personal Guarantee	2.2.7; 8.7.4; 16.5.2 and Ex. B	21.9 and Ex. B	15

ITEM 10 **FINANCING**

Neither we nor any agent or affiliate offers direct or indirect financing to you, guarantees any note, lease or obligation of yours, or has any practice or intent to sell, assign or discount to a third party all or part of any financing arrangement of yours.

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING,
COMPUTER SYSTEMS, AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Pre-opening Obligations

Before you open your Dessange Salon:

- (1) Before your Dessange Salon opens, we will provide to you (or to your Managing Member), and your Salon Manager(s), stylists, colorists, our standard initial training programs that we designate at a location that we designate. (Training is also discussed below in this Item 11 under the subheading "Training.") We will be responsible for the cost of instruction and materials except as described in Item 6 and as stated in the Franchise Agreement. (Franchise Agreement, Sections 3.1, 6.1 and 6.2)
- (2) We will provide, at no charge to you, prototype plans and specifications for the construction of the Dessange Salon and for the exterior and interior design and layout, fixtures, equipment, furnishings, and signs. We will also provide you with certain site selection assistance. (Franchise Agreement, Sections 3.2 and 5.3, and Site Selection Addendum)
- (3) We will inspect the Dessange Salon for opening before the initial opening. You may not start operation of your Dessange Salon until receiving our written approval to do so. (Franchise Agreement, Section 3.8)
- (4) We may (but are not required to) provide a representative to be present at the Dessange Salon's initial opening. The Franchise Agreement does not require notice of our intent at a specific time, but we expect that we will inform you of our intention to send, or not send, a representative at least 30 days before your scheduled opening date. If we elect to do so, then you may not conduct the initial opening unless our representative is present. We will provide additional on-site pre-opening and opening supervision and assistance as we deem it advisable to do so. (Franchise Agreement, Section 3.3)
- (5) We will allow you access, for the duration of the Franchise Agreement, to the Manual (which is more fully described in Item 14 below). (Franchise Agreement, Sections 3.4 and 10)
- (6) We will assist you in developing the Grand Opening Marketing Program (which is more fully described in Items 6 and 11 of this disclosure document); you will be responsible for the cost of this program. (Franchise Agreement, Sections 3.7 and 13.6)
- (7) If you sign a Development Agreement with us, and if you are in compliance with your agreements with us, then we will provide and sign a Franchise Agreement with you for each Dessange Salon that you will develop and operate according to the Development Schedule. (Development Agreement, Section 6.1)

We are not required by the Franchise Agreement or Development Agreement to furnish any other service or assistance to you before the opening of your Dessange Salon.

Continuing Obligations

During the operation of your Dessange Salon:

- (1) We will make available additional training programs, as we deem appropriate. (Franchise Agreement, Sections 3.1 and 6.3);
- (2) We will give you periodic and continuing advisory assistance as to the operation and promotion of the Dessange Salon, as we deem advisable. (Franchise Agreement, Section 3.9)
- (3) We will administer the System-wide Marketing Fund as stated in the Franchise Agreement and as described below in this Item 11. (Franchise Agreement, Sections 3.6 and 13.2);
- (4) We may conduct, as we deem advisable, periodic inspections of the Dessange Salon, and may evaluate the services rendered and products sold by your Dessange Salon. (Franchise Agreement, Section 12.5); and
- (5) We may, as we deem advisable, set reasonable restrictions on the maximum and minimum prices you may charge for Salon Services and Salon Products at your Dessange Salon. (Franchise Agreement, Section 8.9).

Neither the Franchise Agreement, the Development Agreement nor any other agreement, requires us to provide any other assistance or services to you during the operation of the Dessange Salon.

Site Selection

When you enter into the Franchise Agreement, if you do not have an Approved Location for the Dessange Salon, you must sign the Site Selection Addendum attached to the Franchise Agreement as Exhibit G. Under the terms of the Site Selection Addendum, you will have 180 days within which to lease, sublease or acquire a site for the Dessange Salon, subject to our approval according to our site selection guidelines. You must submit at least one location to us for our approval within the first 90 days after you sign the Site Selection Addendum.

Under the Site Selection Addendum, we will grant you an area within which you may search for an Approved Location (the "Site Selection Area"). The Site Selection Area is granted only for the purpose of selecting an Approved Location for the Dessange Salon. We will not establish, nor franchise another to establish, a Dessange Salon operating under the System within the Site Selection Area until we approve of an Approved Location for the Dessange Salon, or until the search period in the Site Selection Addendum expires, whichever happens first. We will also furnish site selection guidelines to you, including our minimum standards for a location for the Dessange Salon, and such site selection counseling and assistance as we may deem advisable. We will perform any on-site evaluation as we may deem advisable in response to your requests for site approval. We will provide you, free of charge, with one on-site evaluation for a proposed site. If we deem additional on-site evaluation necessary and appropriate (on our own initiative or at your request), you must reimburse us for all reasonable expenses we incur in connection with such additional on-site evaluation, including, without limitation, the cost of travel, lodging and meals.

Within 90 days after signing the Site Selection Addendum, you must submit to us, in the form we specify, a copy of the site plan and such other materials or information that we may require, together with an option contract, letter of intent, or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site. We will have 30 days following receipt of this

information and materials from you to approve or disapprove the proposed site for the Approved Location of the Dessange Salon. If we do not approve a proposed site by written notice to you within this 30-day period, the site will be deemed disapproved.

The factors we will consider in approving the location for the proposed site may include some or all of the following: (1) population; (2) demographic characteristics of the surrounding area; (3) parking; (4) location and surrounding area foot and vehicle traffic patterns; (5) available ingress and egress from location; and (6) lease and term provisions;

If you do not acquire or lease a site that has been approved in writing by us for the Dessange Salon within the time required, it will constitute a default of the Franchise Agreement, and we will have the right to terminate the Franchise Agreement.

Once authorized, the site for the Dessange Salon will be the "**Approved Location.**" Within 30 days after our approval of the Approved Location, you must execute a lease, which must be coterminous with the Franchise Agreement, or a binding agreement to purchase the site. Our approval of any lease will be conditioned upon inclusion of our lease rider in the lease, a copy of which is attached to the Franchise Agreement as Exhibit F. We are not responsible for review of the lease for any terms other than those contained in the lease rider.

Promptly after obtaining possession of the site for the Dessange Salon, you must do all the following:

- A. Cause to be prepared and submit for our approval a site survey and any modifications to our basic architectural plans and specifications for a Dessange Salon required to develop a Dessange Salon at the site you have leased or purchased. You may modify our basic plans and specifications only as necessary to comply with applicable ordinances, building codes and permit requirements and only after we give our approval;
- B. Obtain all required zoning permits, all required building permits, utility, health, sign permits and licenses, and any other required permits and licenses;
- C. Purchase or lease, and install, all required equipment, fixtures, furniture and signs;
- D. Complete the construction and remodeling, and decorating of the Dessange Salon in compliance with plans and specifications approved by us and all applicable ordinances, building codes and permit requirements;
- E. Obtain all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating and installation services; and
- F. Otherwise complete the development of your Dessange Salon.

You must maintain the condition and appearance of the premises of the Dessange Salon consistent with our quality controls and standards, and may not materially alter your Dessange Salon or replace or alter your equipment, fixtures or signs without our prior written approval.

Typical Length of Time Before Operation

We expect that it will typically take approximately 9-12 months between signing the Franchise

Agreement and the opening of your Dessange Salon. The time required to open may be affected by various factors, including your ability to select a suitable site, delays in making leasing and financing arrangements, zoning, completing construction, leasehold improvements and decor and furnishing, completing training, meeting local ordinances or community requirements, delivery of equipment and signs, weather, and similar factors. You must have all necessary licenses, permits, and approvals, have hired and trained personnel, installed equipment, and otherwise implemented all components of the System before opening. You must have the Dessange Salon open and in operation within 12 months after the effective date of the Franchise Agreement. If you fail to begin operations within that 12 month period, we will have the right to terminate the Franchise Agreement.

Remodeling

At our request, you must periodically refurbish the Dessange Salon to conform to our then-effective standards and specifications for new Dessange Salons. You will not be required to remodel the Dessange Salon more than once every 5 years. However, you must remodel to bring your Dessange Salon current if you have not yet done so upon renewal of your Franchise Agreement. You will have 6 months to complete the remodeling after we send notice. You will bear the costs of the remodeling, which will vary depending on factors such as the condition in which you regularly maintain your Dessange Salon, the degree to which you encounter wear and tear, local rates for labor and contractors' time, commodity prices (such as lumber and steel that go into any construction project), inflation, and other economic factors. There are no cost limits on the amount of any required remodeling.

Training

We provide an initial training program to you, your Dessange Salon Manager(s) and stylists. Our initial training programs currently include two main phases – our Salon Business Academie and our Salon Technical Training. Both phases, which are described below, must be completed to our satisfaction before you may open your Dessange Salon. We also offer an optional phase – Salon Manager Flagship Immersion for the primary Salon Manager. The training consists of certain classroom and on the job training. Other than the tuition charged for Salon Business Academie and the training materials fee (which are described in Items 5 and 6), we do not currently charge any tuition or other training costs for the initial training program (including the optional Salon Manager Flagship Immersion).

Salon Business Academie. Your Managing Member (who is one of your owners and who will have overall responsibility for the Dessange Salon and who will be our primary contact for the Dessange Salon) and your Salon Manager (who will be responsible on a full-time basis for the day-to-day operations of the Dessange Salon) must attend and successfully complete, to our satisfaction, the Salon Business Academie training program for the first Dessange Salon that you develop. The Salon Business Academie must be completed at least 8 weeks prior to the opening of the Dessange Salon. As noted in Item 5, your Managing Member may serve as your Salon Manager if you obtain our approval for the individual so serve in both positions. Only the Salon Manager for the second and subsequent Dessange Salons that you develop must attend Salon Business Academie before each such additional salon opens. You may elect to register additional owners and/or employees to this training, subject to availability and payment of the applicable fees. Salon Business Academie consists of a minimum of 4 days of classroom and on-the-job training, which are held approximately four times per year, but may be rescheduled if a minimum number of five new franchisees do not register to attend. The content of the training consists of an in-depth discussion of the brand history, development and operation of the

Dessange concept and system, together with salon operations, management, customer service, explanation of the accounting system, inventory control, other financial management techniques, brand communication, salon recruiting, advertising, sales, promotion, market study and other marketing plans, customer and employee relations and practical experience in the operation of a hair care salon, and, if you are developing a Salon+Spa, operation of a Spa that offers Spa Services and Spa Products. The Salon Business Academie program is presented at our offices in Beverly, Massachusetts (Beverly is in the Boston area) or an alternative location that we designate and is required of all new System franchisees. If we designate a location other than our offices in Beverly, Massachusetts, we will notify you prior to the time training is scheduled. Classes are primarily taught by individuals who have over 5 years' experience in the hair care industry, and, if applicable the Spa business, either owning and/or operating salons and/or spas, and/or providing technical education to trained stylists and/or Spa professionals. The fee structure for the Salon Business Academie is set forth in Items 5 and 6 above.

If you have purchased your Dessange Salon from another franchisee, and this is your first Dessange Salon, your Managing Member and your Salon Manager must attend Salon Business Academie before you take possession and begin operating the Dessange Salon. If you already own and operate at least one Dessange Salon when you purchase another one from an existing franchisee, only your Salon Manager must attend Salon Business Academie. There is no fee for you or your Salon Manager to attend Salon Business Academie if you purchase your Dessange Salon from an existing franchisee.

Salon Technical Training. Your Salon Manager(s), stylists, and colorists ("Highly Trained Personnel") must attend and successfully complete our Salon Technical Training program prior to the opening of your Dessange Salon. As indicated in Table 2 below, the portions of the Salon Technical Training that each trainee must complete will depend on the position that the individual will serve in your Dessange Salon. The content of the Salon Technical Training consists of information on all brand codes, product lines, color, balayage and hairstyling techniques, sales training, thorough indoctrination in the System and motivational development. We will conduct the Salon Technical Training at the site of your Dessange Salon prior to its opening or at a training center at a location that we designate. Salon Technical Training consists of a minimum of 7 days of classroom and on-the-job training. There is no fee for the initial Salon Technical Training. We reserve the right to charge a fee for anyone who attends Salon Technical Training after the initial opening of the Dessange Salon.

Spa Training. If you develop a Salon+Spa you, your Salon Manager and all of your estheticians, massage therapists and nail technicians must attend training course provided by Sothy's and us ("Spa Training") to learn how to operate a Salon+Spa and become familiar with Spa Products to be used and sold at the Salon+Spa. Topics included in Spa Training include: Skin Care Treatment, Body Treatments and Spa Product and Protocol. Spa Training will be conducted on-site at your Dessange Salon+Spa prior to its opening, or at a training center designated by us. There is no fee for Spa Training.

Salon Manager Flagship Immersion. Your primary Salon Manager can attend the Salon Manager Flagship Immersion prior to opening of your Dessange Salon. The Salon Manager Flagship Immersion training is optional. We recommend that this training be conducted 10 to 12 weeks before the soft opening of your Dessange Salon. The Salon Manager Flagship Immersion will be held at our affiliate's Dessange Salon in Chevy Chase, Maryland or another open Dessange Salon we may designate. The Salon Manager Flagship Immersion consists of a minimum of 4 days of on-the-job training, which is held as necessary. The training focuses on giving the Salon Manager initial exposure to the brand and the cutting and color techniques in order to optimize the pre-

opening operational process, recruitment process and technical training. There is no fee for the initial Salon Manager Flagship Immersion training. We reserve the right to charge a fee for anyone who attends the Salon Manager Flagship Immersion after the initial opening of the Dessange Salon. You are responsible for all travel and living expenses associated with the training.

* * *

The subjects covered in *Salon Business Academie*, *Salon Technical Training*, *Spa Training* and *Salon Manager Flagship Immersion* are described in the tables below. *Note: Spa Training is only required if you develop and operate a Salon+Spa. Spa Services may not be offered in Salons without Spas.*

TRAINING PROGRAM (Note 1)

Table 1 – Salon Business Academie

Subject	Hours Of Classroom Training	Hours Of On The Job Training	Location⁽²⁾
Foundations for Business Success	4	0	See Footnote 2
Salon Operations	4	0	See Footnote 2
Business Plan and Analysis	4	0	See Footnote 2
Recruiting and Retaining Stylists	4	0	See Footnote 2
Human Resources	4	0	See Footnote 2
Customer Service	4	0	See Footnote 2
Marketing and Advertising	4	0	See Footnote 2
Product Knowledge	4	0	See Footnote 2
Total	32	0	

Table 2 - Salon Technical Training

Subject	Hours Of Classroom Training	Hours Of On The Job Training	Location⁽²⁾
The DESSANGE concept, detail of services, protocols and hair care professional lines (Note 3)	4 (all the team)	4 (all the team)	See Footnote 2

Subject	Hours Of Classroom Training	Hours Of On The Job Training	Location⁽²⁾
The keys of DESSANGE color techniques.	16 (all the team)	8 (colorist only)	See Footnote 2
Haircut techniques (Note 3)	8 (stylist only)	32 (stylists only)	See Footnote 2
Balayage techniques (Note 3)	4 (colorists only)	16 (colorists only)	See Footnote 2
Color techniques (Note 3)	4 (colorists only)	16 (colorists only)	See Footnote 2
Total	36	76	

Table 3 – SPA Training (Salon+SPA Only)

Subject	Hours Of Classroom Training	Hours Of On The Job Training	Location⁽²⁾
Skin Care Treatment by Sothy's (facials)	4	16	See Footnote 2
Body Treatments by Sothy's and our Dessange expert	8	16	See Footnote 2
Spa Product by Sothy's	4	0	See Footnote 2
Dessage Spa Product and Protocol	4	4	See Footnote 2
Total	20	36	

Table 4 – Optional Salon Manager Flagship Immersion

Subject	Hours Of Classroom Training	Hours Of On The Job Training	Location⁽²⁾
Salon Operations	0	32	Currently at DSI's Dessange Salon in Chevy Chase, MD
Total	0	32	

Notes:

(1) You must also attend the Salon Business Academie program if you: (a) purchase a second or subsequent System franchise, (b) renew your Salon Franchise(s), or (c) receive an assignment of a Dessange Salon franchise, unless we waive the training requirement.

(2) Currently, Salon Business Academie will be conducted at our office in Beverly, Massachusetts, and Salon Technical Training and Spa Training will be conducted at the site of your Dessange Salon. We reserve the right to change where we conduct training in the future to other location that we designate.

(3) These portions of training will be led by DESSANGE training experts.

All instructors have over 5 years of experience in the haircare industry in hairstyling, managing and/or owning haircare centers. The instructors include training personnel from both product manufacturers and our (and our affiliates') staff. Our instructors and/or our affiliates' instructors have been with the company at least one year. The training is supervised by our Director of Franchise Operations, Carmela Hughley, and Ms. Hughley has worked for the Dessange brand (with us or our affiliate) for over 2 years and she has over 22 years' experience in the industry.

Our instructional materials for our training program include the Operations Manual and handouts.

Additional Training. If the Salon Manager cease active management or employment at the Dessange Salon, then you must enroll a qualified replacement (who must be reasonably acceptable to us) in our New Salon Training program not more than 30 days after the end of the former person's full-time employment or management responsibilities. The replacement must attend and successfully complete the Salon Business Academie training program, to our reasonable satisfaction, as soon as it is practical to do so. Your Highly Trained Personnel may also be required to attend such refresher courses, seminars, and other training programs and meet our standards for minimum ongoing operational training as we may reasonably specify from time to time.

If you ask that we provide on-site training in addition to that which we may provide to you in connection with the initial training program or the opening of the Dessange Salon, and if we agree to do so, then you must pay us our then-current per diem charges and out-of-pocket expenses. Our per diem charges will be specified in the Manual, and the current amount is described in Item 6 of this disclosure document.

eLearning. We may require you to enroll each of your employees (or those of your employees who perform such tasks as we may designate) in such eLearning programs as we may designate, and for which there may be a fee (see Item 6 for the current amount). We or our affiliates may be providers of the web-based eLearning, or we may designate a third-party vendor for these services. Currently, we provide certain web-based eLearning programs. If web-based eLearning is required, you agree to pay the fees for such training according to the schedule and terms required by the service provider of the web-based eLearning programs.

General Training Expenses. We will bear the cost of all training (instruction and required materials), except for the fees described above and in Items 5 and 6. You will bear all expenses that you and your personnel incur in attending training (including the initial training program and refresher training programs), such as the costs of transportation, lodging, meals, wages, and worker's compensation insurance (see Items 6 and 7 of this disclosure document).

Marketing

The System-wide Marketing Fund. We have the right to establish a national Marketing Fund for the System (the "**System-wide Marketing Fund**"). Once established, the System-wide Marketing Fund, and all contributions to and earnings from the System-wide Marketing Fund, will be used only (except as otherwise provided below) to meet any and all costs of maintaining, administering, directing, conducting, and preparing advertising, marketing, public relations and promotional programs and materials, and any other activities that we believe will enhance the image of the System. This includes, among other things, the costs of preparing and conducting media advertising campaigns; direct mail advertising; marketing surveys and other public relations activities; developing and maintaining our Website (except for the portion, if any, specifically for soliciting franchisees); employing advertising or public relations agencies; purchasing promotional items; conducting and administering visual merchandising, point of sale, and other merchandising programs; and providing promotional and other marketing materials and services to the Dessange Salons operated under the System. We may also use the System-wide Marketing Fund to provide rebates or reimbursements to franchisees for local expenditures on products, services, or improvements, that we have approved in advance (we will have the right to determine which expenditures will appropriately promote general public awareness and favorable support for the System). None of the amounts collected or held by the System-wide Marketing Fund will be used for advertising that is principally a solicitation for the sale of franchises. We are not required to spend any particular amount on advertising in the area where your Dessange Salon is located. We may use digital campaigns (including social media and paid advertising), outdoor media, direct mail, print, online, radio, and/or television, which may be local, regional, or national in scope. We may create advertising in-house or hire an advertising agency. At this time, there is no franchisee council or advertising cooperative that advises us on marketing, but we may later elect to form a franchisee group to advise on advertising policies.

As described in Item 6 above, for each Week during the term of the Franchise Agreement, you must make a Marketing Contribution to the System-wide Marketing Fund. Your Marketing Contributions will be an amount equal to 3% of your Gross Sales. We reserve the right, in certain markets, to suspend a portion of these requirements.

We will have the sole right to decide how the System-wide Marketing Fund creates, places, and pays for advertising. We (or our designee, which might be a corporate subsidiary or an advertising agency) will maintain and administer the System-wide Marketing Fund, as follows:

- (a) We (or our designee) will direct all marketing programs, with the sole right to decide the concepts, materials, and media used in these programs and the placement and allocation of the programs. The System-wide Marketing Fund is intended to maximize general public recognition, acceptance, and use of the System. Neither we nor our designee will be obligated to make expenditures for you or to the System-wide Marketing Fund that are equivalent or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or *pro rata* from expenditures by the System-wide Marketing Fund.
- (b) The System-wide Marketing Fund, and all contributions to and earnings from the System-wide Marketing Fund, will be used exclusively to meet the costs of marketing and any other activities that we believe will enhance the System's image and, in our sole discretion, promote general public awareness of and favorable support for the System.

- (c) The Marketing Contribution will be contributed to the System-wide Marketing Fund each Week in the manner specified in Item 6 above (see Item 6, note 2). All sums you pay to the System-wide Marketing Fund will be maintained in an account separate from our other monies.
- (d) We will have the right to charge the System-wide Marketing Fund for the reasonable administrative costs and overhead that we incur in activities reasonably related to the direction and implementation of the System-wide Marketing Fund and marketing programs for you and the System (this includes, for example, costs of personnel for creating and implementing, associated overhead, marketing, merchandising, promotional and marketing programs). The System-wide Marketing Fund and its earnings will not otherwise inure to our benefit or be used to solicit the sale of franchises. We or our designee will maintain separate bookkeeping accounts for the System-wide Marketing Fund.
- (e) The System-wide Marketing Fund is not and will not be our asset.
- (f) A statement of the System-wide Marketing Fund's operations, as shown on our books, and unaudited, will be prepared annually, and you may obtain a copy of that accounting statement of the advertising fund upon request.
- (g) Although the System-wide Marketing Fund is intended to be of perpetual duration, we maintain the right to terminate the System-wide Marketing Fund. The System-wide Marketing Fund will not be terminated, however, until all monies in the System-wide Marketing Fund have been spent for marketing or promotional purposes. If amounts are unspent in the System-wide Marketing Fund at fiscal year-end, those amounts will be carried over by the fund for expenditure in the following year(s).

Currently, we have not established the System-wide Marketing Fund, and, therefore, we have no expenditures to report. Franchisees operating under the Predecessor License Agreements are not required to contribute to the System-wide Marketing Fund. We do not currently operate any Dessange Salons (our affiliate, DSI, operates one affiliate-owned Dessange Salon). If in the future we operate any Dessange Salons in the U.S., we will contribute to the System-wide Marketing Fund at the same rate or basis as our franchisees. DSI's Dessange Salon does not contribute to the System-wide Marketing Fund but acts as a test salon for developing and testing advertising and marketing programs ("Development") for the System, and DSI spends an equivalent or greater amount on Development than it would contribute to the System-wide Marketing Fund.

Grand Opening Marketing Program. As discussed in Item 7, in addition to (and not in place of) the Marketing Contribution, you must conduct a grand opening marketing and promotional program in conjunction with the Dessange Salon's opening according to the plan that you develop and we approve in writing (the "**Grand Opening Marketing Program**"). You must spend on the Grand Opening Marketing Program a minimum amount that we will specify in the Franchise Agreement, which we expect to range from \$25,000 to \$35,000. The specified minimum expenditure will be identified in Exhibit A of the Franchise Agreement before you and we sign the Franchise Agreement. You must complete the Grand Opening Marketing Program during the period from 30 days before, and until 60 days after, the Dessange Salon opens for business. The Grand Opening Marketing Program is considered "local marketing and promotion" and all materials used in the Grand Opening Marketing Program will be subject to our prior written

approval as described below. As noted in Item 6, we reserve the right to require that you deposit the funds with us to distribute as necessary to conduct the Grand Opening Marketing Program.

Local Marketing and Promotion. We will make available to you from time to time, at your expense, marketing plans and promotional materials, including the "DESSANGE Paris" magazine, collections (consisting of various elements that may include photographs, displays, videos, and other materials), newspaper mats, coupons, merchandising materials, sales aids, point of purchase materials, special promotions, direct mail materials, community relations programs, and similar marketing and promotional materials for use in local marketing and promotion. As described in Item 8, you must: (a) purchase and disseminate the "DESSANGE Paris" magazine and collections in the manner and quantity that we may reasonably require; and (b) purchase and display the collection materials in the manner and quantity that we may reasonably require. (Franchise Agreement, Section 13.4)

We encourage (but do not require) that you spend up to 2% of gross sales of the Dessange Salon per year on additional local marketing and promotion of your Dessange Salon. (Franchise Agreement, Sections 13.8 and 13.9)

Certain criteria will apply to any local marketing and promotion that you conduct. All of your local marketing and promotion must be dignified, must conform to our standards and requirements, and must be conducted in the media, type, and format that we have approved. You may not use any advertising, marketing, or promotional plans that we have not approved in writing. You must submit to us samples of all proposed plans and materials. You are not required to obtain our approval of the prices you intend to charge. We will ordinarily provide you with our response (whether approval or disapproval) to the proposed plans or materials within 14 days; but if we do not give our approval within 14 days, we will have been deemed to disapprove the plans or materials. (Franchise Agreement, Sections 13.5)

All copyrights in and to advertising, marketing, and promotional materials you develop (or that are developed for you) will become our sole property. You must sign the documents (and, if necessary, require your independent contractors to sign the documents) that we deem necessary to implement this provision.

Websites (as defined below) are considered as "advertising" under the Franchise Agreement, and are subject (among other things) to our review and prior written approval before they may be used (as described above). As used in the Franchise Agreement, the term "**Website**" means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including the Internet, World Wide Web, social networking sites (for example, Facebook, Twitter, LinkedIn, Google Wave, etc.), blogs, vlogs, and other applications, etc. You may not establish a Website, and you may not offer, promote, or sell any products or services, or make any use of the Proprietary Marks, through a Website without our prior written approval. If we decide to grant our consent, we have the right to require that you adhere to certain standards concerning a Website.

Gift Cards and Incentive Programs. You agree to offer for sale, and to honor for purchases by customers, all gift cards and other incentive or convenience programs that we may periodically institute (including but not limited to loyalty programs that we or a third party vendor operate, as well as mobile payment applications); and you agree to do all of those things in compliance with our standards and procedures for such programs.

Electronic Point-Of-Sale and Computer Systems

We require our franchisees to purchase a computer system ("**Computer System**"). You must meet our requirements concerning the Computer System, including: (a) back office and point of sale systems, data, audio, video, and voice storage, retrieval, and transmission systems for use at the Dessange Salon; (b) physical, electronic, and other security systems; (c) printers and other peripheral devices; (d) archival back-up systems; (e) Internet access mode (such as the form of telecommunications connection) and speed; (f) electronic systems for collecting and processing customers' scheduling requests; (g) front-of-the-house WiFi and other internet service for customers; and (h) electronic systems for collecting and processing customers' scheduling requests. You must record all sales at the Dessange Salon on computer-based point of sale systems that we designate in the Manual or otherwise in writing, which will be deemed part of your Computer System.

Our current approved POS/Computer System consists of PC-based hardware platform (including PC processor and peripheral hardware devices such as touch screens, printers, bar code readers, card readers, cash drawers, scales, battery back-up, etc.) combined with Dessange Salon management software. The hardware is non-proprietary to us and you must buy it from our designated hardware supplier. You must also use the salon management software that we designate, which is not proprietary to us. You must obtain the required software from our designated vendor. You must establish Merchant Accounts and internet-based credit card and gift card authorization accounts for use with online card authorizations. The Computer System will also be required to use our approved interface (high speed telecommunication connection) to communicate electronically with us.

The costs associated with the purchases of software and computer systems may vary from vendor to vendor, especially regarding hardware items, software, and services which are widely available from a variety of vendors. We currently estimate the cost of purchasing or leasing required computer systems and point-of-sale systems (including training on the POS System) to approximately \$5,000 to \$7,000 for a Dessange Salon.

Some of the hardware and software that you will use is the proprietary property of third parties. We have not approved any hardware or software in place of these systems and programs, although we reserve the right to do so in the future.

We rely on suppliers to provide support for the hardware and software and we may require that you enter into service contracts directly with the hardware and software suppliers and pay the suppliers directly for this support.

We reserve the right to have independent access to your computer system for the purpose of downloading sales and other data. There is no contractual limitation on our right to receive this information. We reserve the right to require you to bring any computer hardware and software, related peripheral equipment, communications systems, as well as the POS system, into conformity with our then-current standards for new Dessange Salons. We have no obligation to assist you in obtaining hardware, software or related services and there are no contractual limits on the frequency or cost of your obligations to obtain these upgrades. (See Section 14 of the Franchise Agreement.)

We currently estimate the annual cost for the POS software license and for maintaining, updating, upgrading your computer system, and obtaining support, to be \$2,500 per year. Neither we nor any of our affiliates have an obligation to provide ongoing maintenance, repairs, upgrades or updates to your computer system or POS system.

Manual

The table of contents of the Manual is attached as Exhibit F. The Manual is approximately 505 pages.

ITEM 12 **TERRITORY**

You will not receive an "exclusive" territory with your Franchise Agreement or Development Agreement. You may face competition from outlets that we own or from other channels of distribution or competitive brands that we control.

You will, however, receive certain protected rights within a Protected Territory or Development Area. These rights are described below in this Item.

Franchise Agreement

During the term of the Franchise Agreement, and except as otherwise provided in that agreement, we will not establish or license anyone else to establish, another Dessange Salon at any location within the "Protected Territory" designated in the Franchise Agreement. The Protected Territory will typically be a circle, the center of which will be the front door of the Dessange Salon, and that circle will have a radius that is specified in your Franchise Agreement. The Protected Territory will be determined by considering many factors relevant to the location of your Dessange Salon, including population and demographic information for the area, local competition, and drive times from the Dessange Salon.

We (and our affiliates) retain all other rights. Accordingly, we will have the right (among other things), on any terms and conditions that we deem advisable, and without granting you any rights, to do any or all of the following:

- establish, and license others to establish, Dessange Salons at any location outside the Protected Territory despite their proximity to the Protected Territory or the Approved Location or its actual or threatened impact on sales at your Dessange Salon;
- establish, and license others to establish, Dessange Salons at any Captive Market (as those terms are defined below) within or outside the Protected Territory, despite these Dessange Salons' proximity to the Approved Location or their actual or threatened impact on sales at your Dessange Salon;
- establish, and license others to establish, businesses that do not operate under the System and do not use the Proprietary Marks, even if those businesses offer services and/or sell products that are the same as or similar to the Services and/or Products offered from the Dessange Salon, and which businesses may be located within or outside the Protected Territory, whether those businesses are located inside or outside of the Protected Territory, despite these businesses' proximity to the Approved Location or their actual or threatened impact on sales at your Dessange Salon;
- acquire (or be acquired) and then operate any business of any kind, whether located within or outside the Protected Territory despite these business' or store's proximity to the Approved Location or its actual or threatened impact on sales at your Dessange

Salon (but we will not change those other businesses into Dessange Salons operated in the Protected Territory); and

- offer, sell and distribute (including the right to license others to do the same), directly or indirectly, any Services and/or Products (including Proprietary Products) from any location or to any purchaser (including sales made to purchasers in the Protected Territory through electronic means, such as the Internet, other digital sites, and mail order), so long as those sales are not made from a Dessange Salon operated from a location inside the Protected Territory (excluding a Captive Market location). We will not compensate you for sales we may make through any such alternative distribution channels.

The term "Captive Market Location" means a business to which end-users do not primarily come for the purpose of experiencing the Services or using the Products, such as luxury hotels, casinos, department stores and resorts.

You may only offer Services and sell Products and Spa Products (if applicable) at the Dessange Salon, only according to the requirements of the Franchise Agreement and the procedures described in the Manual, and only to retail customers. In doing so, you may only offer for sale items that we have designated or approved as Retail Products. You may not offer Services and/or sell Products and/or Spa Products (if applicable) through any means other than through the Dessange Salon. So, for example, you may not offer Services or sell Products and/or Spa Products in bulk or wholesale fashion, or from remote sites, satellite locations, temporary locations, carts or kiosks, or by use of catalogs, the Internet, or through any other electronic or print media.

You may not offer off-site Services (for example, for bridal parties) without our prior written approval and/or in compliance with any standards that we prescribe for such Services in the Manual or otherwise in writing.

You do not need to meet any particular sales or revenue volume in order to keep your territorial rights as described above so long as you stay in compliance with the terms of your Franchise Agreement. There are no other circumstances under the Franchise Agreement that permit us to modify your territorial rights so long as you stay in compliance with the terms of your Franchise Agreement.

If you wish to relocate your Dessange Salon, you must first obtain our written consent. We will apply the same standards to evaluating a requested relocation as we would to evaluating a proposed site for a brand new Dessange Salon (see "Site Selection" in Item 11). You will not have the right to open additional Dessange Salons in your Protected Territory; if you wish to open an additional Dessange Salon, you may seek an additional franchise from us, but we are not required to grant you additional franchise rights.

Site Selection Addendum

As described in Item 11, if you do not have an approved site for your Dessange Salon before you sign the Franchise Agreement, you will enter into a Site Selection Addendum with us, and we will grant you a Site Selection Area within which you may search for an Approved Location. The Site Selection Area is granted only for the purpose of selecting an Approved Location for the Dessange

Salon. We will not establish, nor franchise another to establish, a Dessange Salon operating under the System within the Site Selection Area until we approve of an Approved Location for the Dessange Salon, or until the search period in the Site Selection Addendum expires, whichever happens first. The Protected Territory for the Dessange Salon will be determined once you select and we have approved the Approved Location.

Development Agreement

Under the Development Agreement, and as described in Item 1, if you sign a Development Agreement, you will receive a Development Area in which you must develop Dessange Salons. If you are in compliance with your obligations under the Development Agreement and all other Franchise Agreements between you and us, then we will not establish, nor license anyone other than you to establish, a Dessange Salon in the Development Area until the last date specified in the Development Schedule, except as otherwise provided below. We (and our affiliates) retain all other rights. Accordingly, we will have the right (among other things), on any terms and conditions that we deem advisable, and without granting you any rights, to do any or all of the following:

- establish, and license others to establish, Dessange Salons at any location outside the Development Area despite their proximity to the Development Area or any Approved Location, or their actual or threatened impact on sales at any of your Dessange Salons;
- establish, and license others to establish, Dessange Salons at any Captive Market within or outside the Development Area, despite these Dessange Salons' proximity to the Development Area or any Approved Location or their actual or threatened impact on sales at any of your Dessange Salons;
- establish, and license others to establish, businesses that do not operate under the System and do not use the Proprietary Marks, even if those businesses offer services and/or sell products that are the same as or similar to the Services and/or Products offered from the Dessange Salons, and which businesses may be located within or outside the Development Area, despite these business' proximity to the Development Area or any Approved Location or their actual or threatened impact on sales at any of your Dessange Salons;
- acquire (or be acquired) and then operate any business of any kind, whether located within or outside the Development Area despite these business' or store's proximity to the Development Area or any Approved Location or their actual or threatened impact on sales at any of your Dessange Salons; and
- offer, sell and distribute (including the right to license others to do the same), directly or indirectly, any Services and/or Products (including Proprietary Products) from any location or to any purchaser (including sales made to purchasers in the Development Area through electronic means, such as the Internet, other digital sites, and mail order), so long as those sales are not made from a Dessange Salon operated from a location inside the Development Area (excluding a Captive Market location). We will not compensate you for sales we may make in the alternative distribution channels.

There are no minimum sales quotas or other conditions that you must meet in order to maintain your limited rights in the Development Area. However, if you are in default under the Development Agreement (defaults may include, but are not limited to, failing to comply with the Development

Schedule), we may terminate the Development Agreement and the limited exclusivity in the Development Area. Additionally, we reserve the right to undertake certain actions in lieu of termination of the Development Agreement, including modifying or eliminating the Development Area.

Options and First-Refusal Rights

Under the Franchise Agreement you will not have any options, rights of first refusal, or similar rights to acquire additional franchises or other rights, whether inside the Protected Territory or elsewhere. Similarly, a Development Agreement does not grant you any rights of first refusal, options or similar rights to develop or operate any Dessange Salons in addition to the number specified in the Development Schedule.

ITEM 13 **TRADEMARKS**

We grant you the right to use certain Proprietary Marks under the Franchise Agreement. Our affiliate, DISAS owns the following registrations with the U.S. Patent and Trademark Office (the "USPTO") on its Principal Register, which it has licensed to its subsidiary, DFX:

Mark	Registration Number	Registration Date
DESSANGE (Wordmark)	3006037	October 11, 2005
"JD" (Logo)	3035963	December 27, 2005

All required affidavits of use and incontestability required to be filed as of the date of this disclosure document have been filed. No renewal filings are yet due in connection with this registration.

Our right to use and license others to use the Proprietary Marks in the U.S. is exercised under a trademark license agreement with DFX dated April 8, 2011 (the "TM Agreement"). Under the TM Agreement, we are granted the right to use and to grant franchises to others to use the Proprietary Marks in the U.S. in connection with the System. The TM Agreement has an initial term of 20 years with five, 10 year renewals. Other than the TM Agreement, there are no agreements in effect which significantly limits our rights to use and/or license the Proprietary Marks in any U.S. state in a manner material to the franchise.

Your right to use the Proprietary Marks is limited to the uses that are authorized under the Franchise Agreement, and any unauthorized use of the Proprietary Marks will infringe upon our rights. You may not use any Proprietary Mark: (1) as part of any corporate name or other business name; (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form; (3) for performing or selling any unauthorized services or products; (4) as part of any domain name, electronic address or search engine or in any other manner for a Website without our prior written approval; or (5) in any other manner that we do not expressly authorize in writing. You must identify yourself as the independent owner and operator of your business and Dessange Salons in the manner we specify (such as on invoices, order forms, receipts, and contracts). You must also give the trademark registration notices that we designate, and obtain any assumed business name registrations that applicable law requires.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceeding, or any pending material litigation, involving the Proprietary Marks. Other than the TM Agreement with DF Export SAS (described above), no agreement significantly limits our rights to use or license the Proprietary Marks in any state in a manner material to the franchise.

Except as described above, we know of no superior prior rights or infringing uses of our Proprietary Marks.

You must promptly notify us of any unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, right to use and to license others to use, or your right to use, the Proprietary Marks. We have the right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We will defend you against any third party claim, suit, or demand arising out of your use of the Proprietary Marks. If we determine that you have used the Proprietary Marks in compliance with the Franchise Agreement, we will bear the cost of defense, including the cost of any judgment or settlement, as well as your out of pocket costs (except that you will bear the salary costs of your employees). If we determine that you have not used the Proprietary Marks in compliance with the Franchise Agreement, you must bear the cost of defense, including the cost of any judgment or settlement, and you must promptly reimburse us for those amounts. If there is any litigation due to your use of the Proprietary Marks, you must sign all documents and do all things as may be necessary to carry out a defense or prosecution, including becoming a nominal party to any legal action.

If it becomes advisable at any time in our sole judgment for you to modify or discontinue using any Proprietary Mark or for you and the Dessange Salon to use one or more additional or substitute trade or service marks, you will have to immediately comply with our directions. Neither we nor our affiliates will have any obligation to reimburse you for any expenditures you make because of any discontinuance or modification.

ITEM 14 **PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

Patents

No patents (or pending patent applications) are material to the operation of your Dessange Salon.

Copyrights

We own common law copyrights in various materials used in our business and the development and operation of Dessange Salons, including the Manual, marketing, advertising and promotional materials, and similar materials. We have not registered these materials with the United States Registrar of Copyrights but we are not required to do so.

There are no currently effective determinations of the United States Copyright Office or any court, nor any pending litigation or other proceedings, regarding any copyrighted materials. No agreement limits our rights to use or allow franchisees to use the copyrighted materials. We do not know of any superior prior rights or infringing uses that could materially affect your use of the copyrighted materials. No agreement requires us to protect or defend our copyrights or to

indemnify you for any expenses or damages you incur in any judicial or administrative proceedings involving the copyrighted materials. The Franchise Agreement does not require you to notify us of claims by others of rights to, or infringements of, the copyrighted materials. If we require, you must immediately modify or discontinue using the copyrighted materials. Neither we nor our affiliates will have any obligation to reimburse you for any expenditures you make because of any discontinuance or modification.

Confidential Information

Except for the purpose of operating the Dessange Salon under the Franchise Agreement, you may never (during Franchise Agreement's term or after that) communicate, disclose, or use for any person's benefit any of the confidential information, knowledge, or know-how concerning the operation of the Dessange Salon that may be communicated to you or that you may learn by virtue of your operation of a Dessange Salon. You may divulge confidential information only to those of your employees who must have access to it in order to operate the Dessange Salon. Any and all information, knowledge, know-how, and techniques that we designate as confidential will be deemed confidential for purposes of the Franchise Agreement. However, this will not include information that you can show came to your attention before we disclosed it to you; or that at any time became a part of the public domain, through publication or communication by others having the right to do so.

In addition, we may require you, your Highly Trained Personnel, and your other employees, supervisors and principals, to sign a Non-Disclosure and Non-Competition Agreement. Every one of these agreements must provide that the person signing will maintain the confidentiality of information that they receive in their employment or affiliation with you or the Dessange Salon. These agreements must be in a form that we find satisfactory, and must include, among other things, specific identification of our company as a third party beneficiary with the independent right to enforce the covenants. Our current form for this Non-Disclosure and Non-Competition Agreement is attached to the Franchise Agreement as Exhibit H.

Confidential Manual

In order to protect our reputation and goodwill and to maintain high standards of operation under our Proprietary Marks, you must conduct your business according to the Manual. We will allow you access to the Manual for the term of the Franchise Agreement.

You must always treat in a confidential manner the Manual, any other manuals we create (or that we approve) for use with the Dessange Salon, and the information contained in the Manual. You must use best efforts to maintain this information as secret and confidential. You may not copy, duplicate, record, or otherwise reproduce the Manual and the related materials, or any part (except for the parts of the Manual that are meant for you to copy, which we will clearly mark), nor may you otherwise let any unauthorized person have access to these materials. The Manual will always be our sole property. You must always keep the Manual in a secure place at the Dessange Salon's premises.

We may periodically revise the contents of the Manual, and you must make corresponding revisions to your copy of the Manual and comply with each new or changed standard. If there is

ever a dispute as to the contents of the Manual, our master copy of the Manual (maintained at our home office) will be controlling.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE
ACTUAL OPERATION OF THE FRANCHISE BUSINESS

If you are a corporation, partnership or LLC, you must appoint an individual (who must be one of your owners) as your "**Managing Member**." The Managing Member will have overall responsibility for the Dessange Salon and be our primary contact regarding the Dessange Salon, and must complete our training program (see Item 11), have authority over all business decisions related to the Dessange Salon, and have the power to bind you in all dealings with us. You may not change the Managing Member without our prior approval.

The Dessange Salon must be under the active full-time day-to-day management of either you, the Managing Member (if you are a corporation or a partnership) or a Salon Manager who has successfully completed (to our satisfaction) our initial training program. We require your principals (including the Managing Member), supervisors, managers and Highly Trained Personnel to sign a Non-Disclosure and Non-Competition Agreement, the form of which is attached to the Franchise Agreement as Exhibit H. We do not impose any other restrictions on your managers. If you operate 6 or more Dessange Salons (including those operated by your affiliates), then you must also designate an individual (who may be you or another Highly Trained Personnel for one of your Dessange Salons) who will act as the "**Area Director**" with responsibilities for coordinating operating activities among each of your Dessange Salons. You must hire an additional Area Director if you open more than 12 Dessange Salons, and an additional Area Director for each additional 6 Dessange Salons you open after that. In addition, we require each of your present and future: (i) shareholders, if you are a corporation; (ii) members, if you are a limited liability company; and (iii) partners, if you are a partnership or limited liability partnership; to jointly and severally guarantee your performance of each and every provision of the Franchise Agreement by signing a Guarantee, Indemnification and Acknowledge Agreement, the form of which is attached to the Franchise Agreement as Exhibit B.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only offer the services and sell the products that we have authorized to be offered and sold by Dessange Salons, which we will specify in the Manual or otherwise in writing. You must offer and sell all of the services and products that we may designate as mandatory offerings to customers. We have the right, without limit, to change the types of authorized products and services (although hair salon services generally will remain a core offering). In doing so, you must offer for sale only items that we have designated or approved as Retail Products.

Additionally, as noted above in Items 8 and 12, you may only offer Services and sell Products at the Dessange Salon, only to retail customers. You may not offer off-site Services (for example, for bridal parties) without our prior written approval, and in compliance with any standards that we prescribe for those type of Services. You may not offer Services and/or sell Products through any means other than through the Dessange Salon (for example, you may not offer or sell Products in bulk or wholesale fashion, from remote sites, satellite locations, temporary locations, carts or

kiosks, or by use of catalogs, the Internet, or through any other electronic or print media).

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Franchise Agreement

Provision	Section in Agreement	Summary (Note 1)
a Length of the franchise term	2.1 of the Franchise Agreement	The earlier of: (a) 10 years from the date the Dessange Salon opens for business; or (b) 11 years from the effective date of the Franchise Agreement.
b Renewal or extension of the term	2.2 of the Franchise Agreement	One additional 10 year term, subject to certain contractual requirements described in "c" below.
c Requirements for you to renew or extend	2.2 of the Franchise Agreement	Notice, satisfaction of monetary obligations, compliance with Franchise Agreement, not in material default, release, sign then-current form of Franchise Agreement, which may contain different terms and conditions than the original agreement, and others (see §§ 2.2.1 –2.2.9 in Franchise Agreement).
d Termination by you	Not applicable	Not applicable
e Termination by us without cause	Not applicable	Not applicable
f Termination by us with cause	17 of the Franchise Agreement	Default under agreement, bankruptcy, abandonment, and other grounds; see § 17 of the Franchise Agreement. (Under the U.S. Bankruptcy Code, 11 U.S.C. Section 101 et seq., we may be unable to terminate the agreement merely because you make a bankruptcy filing.)
g "Cause" defined – curable defaults	17.3 of the Franchise Agreement	All other defaults not specified in §§ 17.1 and 17.2 of the Franchise Agreement

Provision	Section in Agreement	Summary (Note 1)
h "Cause" defined – non-curable defaults	17.1 and 17.2 of the Franchise Agreement	Bankruptcy, abandonment, conviction of felony, and others (but under the U.S. Bankruptcy Code, 11 U.S.C. Section 101 et seq., we may be unable to terminate the agreement merely because you make a bankruptcy filing.)
i Your obligations on termination/nonrenewal	18 of the Franchise Agreement	Immediately stop operating the Dessange Salon, payment of amounts due, pay lost future royalties, and others; see §§ 18.1 – 18.11 of the Franchise Agreement.
j Assignment of contract by us	16.1 of the Franchise Agreement	There are no limits on our right to assign the agreement.
k "Transfer" by you – defined	16.4.1 – 16.4.4 of the Franchise Agreement	Includes transfer of any interest.
l Our approval of transfer by you	16.4 of the Franchise Agreement	We have the right to approve transfers.
m Conditions for our approval of transfer	16.5 of the Franchise Agreement	Release, signature of new agreement, payment of transfer fee, and others.
n Our right of first refusal to acquire your business	16.6 of the Franchise Agreement	We can match any offer.
o Our option to purchase your business	18.4 and 18.9 of the Franchise Agreement	We can acquire any interest which you have in any lease or sublease for the premises and purchase your furnishings, equipment, material, or inventory at cost or fair market value.
p Your death or disability	16.7, 16.8 and 16.9 of the Franchise Agreement	Your estate must transfer your interest to a third party we have approved, within a year after death or 6 months after the onset of disability.
q Non-competition covenants during the term of the franchise	19.2, 19.3 and 19.4 of the Franchise Agreement	Includes prohibition on engaging in a "Competitive Business," which is a retail business that sells or offers hair styling, hair coloring, and/or related hair care or beauty care services or products, spa services or any other services or products that are substantially similar to those offered in the System.

Provision	Section in Agreement	Summary (Note 1)
r Non-competition covenants after the franchise is terminated or expires	19.3 and 19.4 of the Franchise Agreement	Includes a two year prohibition similar to "q" (above), within 10 miles of the Approved Location or any other Dessange Salon then-operating under the System or under any of our "Other Brands".
s Modification of the agreement	25 of the Franchise Agreement	Must be in writing signed by both parties.
t Integration / merger clause	25 of the Franchise Agreement	Only the final written terms of the agreement are binding, subject to state law. Any representation or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u Dispute resolution by arbitration or mediation	27.3 of the Franchise Agreement	Before bringing an action in court, the parties must first submit the dispute to non-binding mediation (except that we can go to court to seek injunctive relief).
v Choice of forum	27.2 of the Franchise Agreement	If we ever litigate, you must do so in the state and judicial district where we maintain our principal place of business, subject to state law.
w Choice of law	27.1 of the Franchise Agreement	Massachusetts law applies, subject to state law.

Development Agreement

Provision	Section in Development Agreement	Summary (Note 1)
a Length of the franchise term	3 of Development Agreement	The term of the Development Agreement ends on the last date specified in the Development Schedule (unless the agreement is sooner terminated)
b Renewal or extension of the term	Not applicable	Not applicable
c Requirements for you to renew or extend	Not applicable	Not applicable
d Termination by you	Not applicable	Not applicable
e Termination by us without cause	Not applicable	Not applicable
f Termination by us with cause	10 of Development Agreement	Default under agreement, bankruptcy, abandonment, and other grounds; see § 10 of the Franchise Agreement. (Under the U.S. Bankruptcy Code, 11 U.S.C. Section 101 et seq., we may be unable to terminate the agreement merely because you make a bankruptcy filing.)
g "Cause" defined – curable defaults	10.3 of Development Agreement	All other defaults not specified in §§ 10.1 and 10.2 of the Development Agreement
h "Cause" defined – non-curable defaults	10.1 and 10.2 of Development Agreement	Bankruptcy, abandonment, conviction of felony, and others (but under the U.S. Bankruptcy Code, 11 U.S.C. Section 101 et seq., we may be unable to terminate the agreement merely because you make a bankruptcy filing.)
i Your obligations on termination/nonrenewal	11 of Development Agreement	Cease developing Dessange Salons, payment of amounts due, and others; see §§ 11.1 – 11.6 of the Development Agreement.
j Assignment of contract by us	8.1 of the Development Agreement	There are no limits on our right to assign the agreement.
k "Transfer" by you – defined	8.4.1 – 8.4.4 of Development Agreement	Includes transfer of any interest.
l Our approval of transfer by you	8.4 of Development Agreement	We have the right to approve transfers.

Provision	Section in Development Agreement	Summary (Note 1)
m Conditions for our approval of transfer	8.5 of Development Agreement	Release, signature of new agreement, payment of transfer fee, and others.
n Our right of first refusal to acquire your business	8.6 of Development Agreement	We can match any offer.
o Our option to purchase your business	Not applicable	Not applicable
p Your death or disability	8.7 of Development Agreement	Your estate must transfer your interest to a third party we have approved, within a year after death or 6 months after the onset of disability.
q Non-competition covenants during the term of the franchise	12.2 - 12.4 of Development Agreement	Includes a two-year prohibition similar to "q" (above), within the Development Area, and also within 10 miles of any other Dessange Salons then-operating under the System or under any of our "Other Brands".
r Non-competition covenants after the franchise is terminated or expires	12.2-12.5 of Development Agreement	Includes a two year prohibition similar to "q" (above), within 10 miles of the Approved Location or any other Dessange Salon then-operating under the System.
s Modification of the agreement	18 of Development Agreement	Must be in writing signed by both parties.
t Integration / merger clause	18 of Development Agreement	Only the final written terms of the agreement are binding, subject to state law. Any representation or promises outside of the disclosure document and Development Agreement may not be enforceable.
u Dispute resolution by arbitration or mediation	20.3 of Development Agreement	Before bringing an action in court, the parties must first submit the dispute to non-binding mediation (except that we can go to court to seek injunctive relief).
v Choice of forum	20.2 of Development Agreement	If we ever litigate, you must do so in the state and judicial district where we maintain our principal place of business, subject to state law.
w Choice of law	20.1 of Development Agreement	Massachusetts law applies, subject to state law.

ITEM 18
PUBLIC FIGURES

We do not use any public figures to promote our franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to disclose information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about performance at a particular location or under particular circumstances.

We do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Gerald Wells at 500 Cummings Center, Suite 1100, Beverly, Massachusetts 01915, Telephone: 978-232-5600, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1:
System-wide Outlet Summary for years 2014-2016 (Note 1)

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2014	5	5	0
	2015	5	4	-1
	2016	4	4	0
Company- Owned (Note 2)	2014	1	1	0
	2015	1	1	0
	2016	1	1	0
Total Outlets	2014	6	6	0
	2015	6	5	-1
	2016	5	5	0

Notes:

- (1) All numbers are as of the fiscal year end. Each fiscal year ends on December 31.
- (2) As described in Item 1, we do not operate Dessange Salons. "Company-owned" outlets in the U.S. are owned and operated by our affiliate, DSI. As of the date of this Disclosure Document, DSI operated 1 company-owned Dessange Salon in Chevy Chase, Maryland. Other affiliates of ours have operated or franchised similar salons under the Proprietary Marks and System outside of the U.S. since 1977.

Table 2:
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
for years 2014 to 2016 (Note 1)

State (Note 2)	Year	Number of Transfers
All States	2014	0
	2015	0
	2016	0
Total	2014	0
	2015	0
	2016	0

Notes:

- (1) All numbers are as of the fiscal year end (each fiscal year ends on Dec. 31st).
- (2) States not listed had no activity during the relevant time frame.

Table 3:
Status of Franchised Outlets for years 2014 to 2016 (Note 1)

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations/Other Reasons	Outlets at End of Year
Florida	2014	1	0	0	0	0	0	1
	2015	1	0	0	1	0	0	0
	2016	0	0	0	0	0	0	0
Michigan	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Tennessee	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Texas	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations/Other Reasons	Outlets at End of Year
Total	2014	5	0	0	0	0	0	5
	2015	5	0	0	1	0	0	4
	2016	4	0	0	0	0	0	4

Notes:

- (1) All numbers are as of the fiscal year end. Each fiscal year ends on December 31.
- (2) States not listed had no activity during the relevant time frame.

Table 4:
Status of Company-Owned Outlets for years 2014 to 2016 (Notes 1 and 2)

State (Note 3)	Year	Outlets at Start of the Year	Outlets Opened	Outlets Re-acquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Maryland	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
Total	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1

Notes:

- (1) All numbers are as of the fiscal year end. Each fiscal year ends on December 31. As described in Item 1, we began to offer franchises for Dessange Salons in the U.S. on June 9, 2006.
- (2) As described in Item 1, we do not operate Dessange Salons. "Company-owned" outlets in the U.S. are owned and operated by our affiliate, DSI. As of the date of this Disclosure Document, DSI operated 1 company-owned Dessange Salon in Chevy Chase, Maryland. Other affiliates of ours have operated or franchised similar salons under the name Proprietary Marks and System outside of the U.S. since 1977.

Table 5:

Projected Openings as of December 31, 2016 for 2017

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In The Next Year
All States	1	0	0
Total	1	0	0

Notes:

- (1) For the fiscal year beginning January 1, 2017.
- (2) States not listed are not expected to have any franchises in the next year.

The names, addresses, and telephone numbers of our current franchisees are listed in Exhibit B. Exhibit B also provides the name and last known address and telephone number of every one of our franchisees who has had an agreement terminated, canceled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the one-year period ending December 31, 2016 or who has not communicated with us within ten weeks of the date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the System.

No franchisees have signed a confidentiality clause in a franchise agreement, settlement or other contract within the last three years that would restrict their ability to speak openly about their experience with us. As of the date of this franchise disclosure document, there are no System franchisee associations in existence regardless of whether they use our trademark or not.

ITEM 21 **FINANCIAL STATEMENTS**

Attached as Exhibit C-1 are audited financial statements for our fiscal years ended December 31, 2016, December 31, 2015 and December 31, 2014. Also included in Exhibit C-2 are our unaudited financial statements for the period beginning January 1, 2017 through May 31, 2017.

ITEM 22 **CONTRACTS**

The following contracts are attached as exhibits to this disclosure document:

- **Exhibit D-1: Franchise Agreement, with its exhibits:**
 - (A) Data Addendum
 - (B) Guarantee, Indemnification and Acknowledgment;
 - (C) List of Principals;
 - (D) EFT/ACH Authorization Form;
 - (E) ADA Certification;
 - (F) Lease Rider;
 - (G) Site Selection Addendum;

- (H) Sample Form of Non-Disclosure and Non-Competition Agreement;
- (I) Phone Number Assignment Form

- Exhibit D-2 State Specific Amendments to Franchise Agreement
- Exhibit E-1: Development Agreement
 - (A) Development Information
 - (B) Guarantee, Indemnification and Acknowledgment;
 - (C) List of Principals and Designated Partner;
- Exhibit E-2 State Specific Amendments to Multi-Unit Development Agreement
- Exhibit G: Franchise Compliance Certification
- Exhibit I: Finder's Agreement

ITEM 23
RECEIPTS

The last two pages of this disclosure document (Exhibit L) are identical pages acknowledging receipt of this entire document (including the exhibits). Please sign and return to us one copy; please keep the other copy along with this disclosure document.

EXHIBIT A
AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a "franchise" in some or all of the following states, in accordance with the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

CALIFORNIA Commissioner of Business Oversight Department of Business Oversight 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677	NEW YORK New York Secretary of State New York State Department of State Division of Corporations One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, NY 12231 (518) 473-2492
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	NORTH DAKOTA North Dakota Securities Commissioner 600 Boulevard Avenue, State Capitol Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	RHODE ISLAND Director of Department of Business Regulation Department of Business Regulation Securities Division, Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	SOUTH DAKOTA Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre SD 57501 (605) 773-4823
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	VIRGINIA Clerk of the State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, Virginia 23219 (804) 371-9733
MICHIGAN Michigan Attorney General's Office Consumer Protection Div., Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 373-7117	WASHINGTON Director of Department of Financial Institutions Securities Division – 3 rd Floor 150 Israel Road, S.W. Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Commissioner of Commerce 85 7 th Place East, Suite 500 St. Paul, Minnesota 55101 (651) 539-1500	WISCONSIN Commissioner of Securities 201 W. Washington Ave., Suite 300 Madison, WI 53703 (608) 261-9555

EXHIBIT B
LIST OF DESSANGE FRANCHISEES WITH SALONS IN THE U.S.

Michigan:

ANANDA KHANDA LLC
(formerly A Cut Above)
Attention: Marilyn Richardson
206 S. Fifth Avenue, Suite 300
Ann Arbor, MI 48104
T: 734-996-5585
F: 734-996-1511

Tennessee:

TIBA DE NUHAD KHOURY
2126 Abbot Martin Road, #132
Nashville, TN 37215
T: 615-269-5121
F: 615-297-1193

Texas:

CJN COIFFURE, Inc.
3801 Capital of Texas Highway N., Building H suite 140
Austin, TX 78746
T: 512-327-6555
F: 512-327-6577

ELITE COIFFURE, Inc
5535 Memorial Drive, suite L
Houston, TX 77007
T: 713-457-8800
F: 713-457-8804

LIST OF DESSANGE FRANCHISEES WHO HAVE NOT OPENED THEIR SALON IN THE U.S.

LIGNE DORE, LLC
Attention: Sebastien Delalande
330 Miracle Mile
Coral Gables, FL 33134
T: 305-445-3446
F: N/A

LIST OF FORMER DESSANGE FRANCHISEES IN THE U.S.

Note: *If you buy into the franchise, your contact information may be disclosed in the future to other buyers when you leave the franchise system.*

MEYJONADE HOLDINGS, INC.
Attention: Olivier Meyjonade
1845 Cordova Rd.
Fort Lauderdale, FL 33316
T: 954-524-9424
F: 954-524-8696

LIST OF DESSANGE FRANCHISEES IN THE U.S. WITH WHOM WE HAVE HAD NO CONTACT WITHIN THE LAST 10 WEEKS PRIOR TO THE DATE OF THIS DISCLOSURE DOCUMENT

NONE

LIST OF COMPANY-OWNED OR AFFILIATE-OWNED DESSANGE SALONS IN THE U.S.

Dessange Salons, Inc.
Attention: General Manager
5410 Wisconsin Avenue
Chevy Chase, MD 20815

T: 301-913-9373
F: 301-913-9561

*Any franchisee who has entered into a multi-unit development agreement with us is designated by an asterisk.

EXHIBIT C-1
AUDITED FINANCIAL STATEMENTS

EXHIBIT C-2
UNAUDITED FINANCIAL STATEMENTS

UNAUDITED FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

EXHIBIT D-1
FRANCHISE AGREEMENT

EXHIBIT D-2

STATE-SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENTS

California Franchise Agreement Amendment

The following Addendum modifies and supersedes the Franchise Agreement (the "Agreement") with respect to the Dessange salon franchises offered or sold to either a resident of the state of California or a non-resident who will be operating a Dessange salon franchise in the state of California as follows.

1. The following shall be added at the end of Section 2.2.1 of the Agreement:

"Your failure to request renewal as specified herein shall be deemed a rejection of our offer of renewal, which shall cause this Agreement to expire at the end of the Term."

2. Section 4. of the Agreement is amended by adding the following as Section 4.9 of the Agreement:

4.9 In addition to the Weekly Sales Reports required under Section 4.2 above, you shall provide us with monthly reports of assets you have acquired, the assets' purchase date and purchase price, the person or entity from whom the asset was acquired, the depreciated value of each asset, the identity of all persons and entities holding liens on each asset, the date of disposition of each asset and the date of the release of lien of each asset, as well as other information prescribed by us in the Manuals. The depreciation schedule for Manuals from time to time, which shall generally be the fastest depreciation schedule permitted under either Generally Accepted Accounting Principles or under the Internal Revenue Code.

3. Section 16.4.1 of the Agreement shall be deleted in its entirety and replaced with the following:

16.4.1 Without our prior written consent, neither you nor any successor to any part of your interest in this Agreement, nor any Principal, nor any other party that directly or indirectly owns any interest in this Agreement, in you, and/or in the Franchised Salon, may sell, assign, transfer, convey, pledge, encumber, merge, create a security interest in, and/or give away (collectively, "transfer") any direct or indirect interest in this Agreement, in you, in any or all of your rights or obligations under this Agreement, and/or in all or substantially all of the assets of the Franchised Salon. Any purported assignment or transfer not having our prior written consent as required by this Section 16 shall be null and void and shall also constitute a material breach of this Agreement, for which we may immediately terminate this Agreement without opportunity to cure, pursuant to Section 17.2.5 below. You shall notify us in writing of any proposed assignment or transfer at least sixty (60) days before such assignment is proposed to take place. Notwithstanding Section 24 of this Agreement, only a notice which is written and delivered to us by business courier or by receipted mail which includes all of the following information required by the California Franchise Relations Act will be accepted for purposes of this Section:

You shall, prior to the sale, assignment, or transfer of this Agreement, all or substantially all of the assets of the Franchised Business, or a controlling or noncontrolling interest in the Franchised Business, to another person, notify us, of your intent to sell, transfer, or assign this Agreement, all or substantially all of the assets of the Franchised Business, or the controlling or noncontrolling interest in the franchised business. The notice shall be in writing, delivered to us as set forth above, and include all of the following:

- i. The proposed transferee's name and address.
- ii. A copy of all agreements related to the sale, assignment, or transfer of the Agreement, the assets of the franchised business, or the interest in the Franchised Business.
- iii. The proposed transferee's application for approval to become the successor franchisee. The application shall include all forms, financial disclosures, and related information generally utilized by us in reviewing prospective new franchises, if those forms are readily made available to you. If the forms are not readily available, you shall request and we shall deliver the forms to you.

As soon as practicable after the receipt of the proposed transferee's application, we shall notify, in writing, you and the proposed transferee of any additional information or documentation necessary to complete the transfer application. If our then-existing standards for the approval of new or renewing franchisees are not readily available to you when you notify us of your intent to sell, transfer, or assign the Agreement, the assets of the Franchised Business, or the controlling or noncontrolling interest in the Franchised Business, we shall communicate the standards to you within fifteen (15) calendar days. Those standards may include requirements that the proposed transferee complete one or more interviews with our executives, and/or a committee of such executives or of executives and franchisees, who may decide, among other things, whether the proposed transferee's personality, interest, plans for the business, involvement in franchising or in competitive activities would make the proposed transferee a suitable Dessange franchisee or owner of an interest in a Dessange franchise.

We shall, within sixty (60) days after the receipt of all of the necessary information and documentation required above, or as specified by written agreement between us and you, notify you of the approval or disapproval of the proposed assignment. A proposed assignment shall be deemed approved, unless disapproved by us in the manner provided herein. If the proposed assignment is disapproved, we shall include in the notice of disapproval a statement setting forth the reasons for the disapproval. Our prior written consent to an assignment shall not be unreasonably withheld, but will be conditioned upon the following:

- a. Approval of any proposed assignee in accordance with our then-current standards for the approval of prospective franchisees;
- b. Payment of all your outstanding debts payable to us, our affiliates, and approved suppliers of the System (including your landlord);
- c. Payment of all sums which become due upon assignment, including

- the assignment fee of 25% of the then-current initial franchise fee;
- d. Your execution of a general release, in a form prescribed by us, of any and all claims against us, our affiliates, and ours and their respective officers, directors, agents and employees;
- e. Execution by the proposed assignee of the then-current form of franchise agreement modified to reflect the same expiration date as this Agreement regardless of the number of assignments involved. The then-current form of franchise agreement may have significantly different provisions including, without limitation, higher Royalty Fees than that contained in this Agreement.
- f. Attendance by the proposed assignee or Salon Manager at the next available Salon Business Academie (including Salon Technical Training Programs) at the expense of the proposed assignee or franchisee;
- g. Delivery of any documents to the proposed assignee in the manner and within the time frames required by state or federal law or regulation;
- h. That you and/or the proposed assignee update, remodel and modernize the Salon Location to reflect our then-current image of a Dessange Salon;
- i. That you (or if the assignment only involves an interest in franchisee which is an entity, then the individuals and entities involved) shall agree in writing to comply with the covenants set forth on Exhibit H hereto; and
- j. That you and your affiliates not be in default of any provision of this Agreement, or successor hereto, or any other agreement between you and/or your affiliates and us and/or our affiliates.

Should you desire to make any assignment, you shall first give written notice to us of such proposed assignment stating the name, address, and telephone number of the proposed assignee; provide a current financial statement of the proposed assignee; provide a copy of the proposed purchase/transfer of ownership document; and provide any other information requested by us. Prior to final approval by us, if granted, you shall provide us with a copy of the executed purchase/transfer of ownership document that sets forth the terms of the assignment. Consent to any assignment upon the specified terms and conditions of a purchase/transfer of ownership document shall not be deemed to be a consent to an assignment to any other person, nor to any other or subsequent assignment.

4. Section 17.3.2 of the Agreement shall be deleted in its entirety and replaced with the following:

17.3.2 Except as otherwise provided above in Sections 17.1, 17.2 and 17.3.1 above, if you are in default of your obligations under this Agreement, we may only terminate this Agreement by giving you written notice of termination (in the manner set forth under Section 24 below). You shall have sixty (60) days from the delivery of such notice within which to cure the default of this Agreement. If you believe you cannot reasonably cure a default while exercising diligent efforts within sixty (60) days, if you notify

us of your conclusion within fifteen (15) days after receiving the notice of default, and if we deliver notice to you that we concur in your conclusion within thirty (30) days from the delivery of the notice of default, you shall have an additional fifteen (15) days within which to fully cure that default. If all defaults identified in the notice are timely cured, this Agreement shall not be terminated absent a subsequent or previously undiscovered default results in a subsequent notice.

5. The following shall be added as Sections 17.3.4 and 17.3.5 of the Agreement:

17.3.4 If at any time we reasonably believe that you are in default of any obligation arising under this Agreement, or if you have failed to comply with any conditions of renewal specified in Section 2, in addition to any other remedies available under this Agreement or at law or in equity, we may purchase the assets of your business for their depreciated value on the date of the notice. The date on which the purchase shall occur ("Closing Date") shall be the day before the effective date of the termination or expiration as specified in the notice, or on such other date as the parties shall agree. We shall not exercise this option unless we or our assignee can acquire the right to operate a business from the Approved Location following the Closing Date. We shall only purchase assets, including leasehold interests, that are delivered to us on the Closing Date, and, in the case of assets that are rented or leased, assets to which the renter or lessor has approved the sale to us or our assignee on no more onerous terms than those under which the asset was rented or leased to you.

The value of this Agreement shall be the depreciated value of the initial franchise fee, or if applicable, the depreciated value of the renewal fee paid by you as established by the depreciation schedule set forth in the Manuals. Payments for the assets due from us shall exclude all amounts you and your affiliates owe to us and our affiliates, all amounts owed to other creditors which have not been paid by the Closing Date, any unpaid taxes, and any attorneys' fees incurred by us or our affiliates in resolving or defending any disputes or claims arising out of the purchase of the assets. The purchase price shall be reduced to the extent that any asset is damaged or unusable. You agree that we may also set off against the purchase price Royalty Fees that would have been due to us during the remainder of the term of this Agreement, as specified in Section 18.11.

17.3.5 With respect to any contracts or leases, you shall provide a list (including written copies, if applicable) of all such contracts or commitments and a statement of whether they are assignable. In addition, you shall provide us with your tax returns and financial statements for the last three (3) years, good standing certificates, a description of any litigation, pending claims, governmental actions, or disputes, and a description of any liens, encumbrances, or mortgages. The purchase agreement related to the transaction will convey all of the purchased assets in good working order, free and clear of any liens, encumbrances, mortgages, pledges, covenants and restrictions, and will provide for customary representations and warranties, covenants, indemnities, escrow and/or holdbacks of the purchase price.

If you have failed to provide the reports pertaining to its assets that are required by the second paragraph of Section 4.9., above, or if you fail to provide us or our assignee with evidence of clear title to each of the assets used in the operation of the business at the Salon Location, us or our assignee may assume control of all of the assets on the termination date established by the notice of default delivered pursuant to Section 17.3.2 or on the expiration date, and may defer making any payments to you until you have provided us or our designee with all of the information specified by Section 16.4.1 and the Manuals and the conditions for closing. We may hold back or escrow any portion of the purchase price we believe is needed to protect against claims arising out of your operation of the Franchise Business. At closing, the parties shall execute an asset purchase agreement which will contain typical warranties, representation and schedules normally associated with the sale of substantially all of the assets of a business. We and you shall each be liable for our/your attorneys' and other professionals' fees associated with the transaction.

6. The following shall be added as Section 28.14 of the Agreement:

28.14 IF YOU AND THE LANDLORD OF THE APPROVED LOCATION HAVE AGREED TO LANGUAGE WHICH RESTRICTS YOUR USE OF THE APPROVED LOCATION FOLLOWING THE TERMINATION, NONRENEWAL OR ASSIGNMENT OF THIS AGREEMENT, THE AGREEMENT TO SUCH FURTHER USE OF THE APPROVED LOCATION IS YOUR INDEPENDENT DECISION. YOU AGREE THAT YOU SHALL NOT MAINTAIN ANY ACTION IN WHICH YOU ALLEGE THAT OUR APPROVAL OF THE LEASE SHOULD BE INTERPRETED AS US HAVING PREVENTED YOU FROM RETAINING CONTROL OF THE APPROVED LOCATION OR THE PRINCIPAL PLACE OF YOUR FRANCHISED BUSINESS.

7. The following shall be added to the end of Exhibit B of the Agreement:

Each of the undersigned persons agrees to indemnify and defend Franchisor against any and all claims, including attorneys' fees and costs, arising out of Franchisor's efforts to purchase Franchisee's assets as the parties have agreed in Section 17.3.4 of the Agreement. To the extent that any court or arbitrator determines that a higher purchase price is due to Franchisee based upon a formula that differs from the one established in the Agreement or the Manuals, the undersigned persons agree to pay Franchisor the difference between the agreed purchase price and the higher price upon receipt of a demand for payment from Franchisor. Franchisor shall not be required to purchase Franchisee's assets if the purchase price determined by a third party exceeds the price that Franchisor is willing or able to pay for the assets.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this California amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor:

Dessange Franchising, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

Franchisee:

By: _____

Name: _____

Title: _____

Hawaii Franchise Agreement Amendment

In recognition of the requirements of Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., the parties to the attached Dessange Franchising, LLC Franchise Agreement (the "Agreement") agree as follows:

1. Section 2.2.8, under the heading "Term and Renewal," is deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

2.2.8 You must sign and deliver to us a general release, in a form that we will provide, of any and all claims against us and our affiliates, and our respective officers, directors, agents, and employees. If you are an entity, then your affiliates and your direct and indirect owners (and any other parties that we reasonably request) must also sign and deliver that release to us, excluding only such claims as you may have under the Hawaii Franchise Investment Law.

2. Section 16.5.1, under the heading "Transfer of Interest," is deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

16.5.1 The transferor must have executed a general release, in a form satisfactory to us, of any and all claims against us and our affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, claims arising under this Agreement, any other agreement between you and us, and/or our respective affiliates, and federal, state, and local laws and rules, excluding only such claims as transferor may have under the Hawaii Franchise Investment Law.

3. Section 18, under the heading "Obligations Upon Termination or Expiration," shall be amended by the addition of the following new paragraph, which shall be considered an integral part of the Agreement:

Notwithstanding anything to the contrary in this Section 18, we shall comply with Hawaii law which currently requires that we compensate you upon termination or refusal to renew the franchise for the fair market value, at the time of the termination or expiration of the franchise of any inventory, supplies, equipment and furnishings which were purchased from us or a supplier designated by us. Personalized materials which have no value to us need not be compensated for. If we refuse to renew a franchise for the purpose of converting your business to one owned and operated by us, we, in addition, must compensate you for the loss of goodwill. We may deduct reasonable costs incurred in removing, transporting and disposing of your inventory, supplies, equipment and furnishings pursuant to these requirements, and may offset any moneys due to us.

4. This Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., are met independently without reference to this Amendment.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Hawaii amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor:

Dessange Franchising, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

Franchisee:

By: _____

Name: _____

Title: _____

Illinois Franchise Agreement Amendment

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§ 705/1 to 705/44, the parties to the attached Dessange Franchising, LLC Franchise Agreement (the "Agreement") agree as follows:

1. Section 2 of the Agreement, under the heading "Term and Renewal," shall be amended by the addition of the following new paragraph 2.3, which shall be considered an integral part of the Agreement:

2.3 If any of the provisions of this Section 2 are inconsistent with Section 20 of the Illinois Franchise Disclosure Act, the provisions of the Act shall apply. If we refuse to renew this Agreement, we shall compensate you if (and to the extent) such compensation is required under Section 20 of the Illinois Franchise Disclosure Act.

2. Section 17 of the Agreement, under the heading "Default and Termination," shall be amended by the addition of the following new paragraph 17.8, which shall be considered an integral part of the Agreement:

17.8 If any of the provisions of this Section 17 concerning termination are inconsistent with Section 19 of the Illinois Franchise Disclosure Act, then said Illinois law shall apply.

3. Section 27.1 of the Agreement, under the heading "Applicable Law and Dispute Resolution," shall be deleted in its entirety, and shall have no force or effect; and the following new paragraph shall be substituted in its place:

27.1 This Agreement takes effect upon its acceptance and execution by us, and shall be interpreted and construed under the laws of Illinois.

4. Section 27.2 of the Agreement, under the heading "Applicable Law and Dispute Resolution," shall be deleted in its entirety.

5. Section 27 of the Agreement, under the heading " Applicable Law and Dispute Resolution," shall be amended by the addition of the following new Section 27.10, which shall be considered an integral part of the Agreement:

27.10 Nothing contained in our Franchise Disclosure Document, this Agreement, or any other agreements between you and us shall constitute a condition, stipulation, or provision purporting to bind any person to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other Illinois law (as long as the jurisdictional requirements of the Illinois Franchise Disclosure Act are met).

6. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this amendment.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Illinois amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor:

Dessange Franchising, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

Franchisee:

By: _____

Name: _____

Title: _____

Maryland Franchise Agreement Amendment

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached Dessange Franchising, LLC Franchise Agreement (the "Agreement") agree as follows:

1. Section 2.2.8, under the heading "Term and Renewal," shall be amended by the addition of the following language:

The general release required as a condition of renewal shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Section 16.5.1, under the heading "Transfer of Interest," shall be amended by the addition of the following language:

The general release required as a condition of assignment, transfer or sale shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Sections 27.3, 27.6, and 27.7 of the Agreement, under the heading "Applicable Law and Dispute Resolution," shall be amended by the addition of the following language:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

4. Section 28 of the Agreement, under the heading "Acknowledgments," shall be amended by the addition of the following:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

5. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this amendment.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Maryland amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor:

Dessange Franchising, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

Franchisee:

By: _____

Name: _____

Title: _____

Minnesota Franchise Agreement Amendment

In recognition of the requirements of the Minnesota Franchise Act, Minn. Stat. § 80C., and of the Rules and Regulations promulgated thereunder by the Commissioner of Commerce, the parties to the attached Dessange Franchising, LLC Franchise Agreement (the "Agreement") agree as follows:

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the "Franchise Act"). To the extent that the Agreement and Franchise Disclosure Document contain provisions that are inconsistent with the following, such provisions are hereby amended:

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases): (1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement; and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols; or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

Minnesota considers it unfair to not protect the franchisee's rights to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

2. Each provision of this Amendment to the Agreement shall be effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Act are met independently with respect to each such provision and without reference to this Amendment to the Agreement.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed, and delivered this Minnesota amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor:

Dessange Franchising, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

Franchisee:

By: _____

Name: _____

Title: _____

New York Franchise Agreement Amendment

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached Dessange Franchising, LLC Franchise Agreement (the "Agreement") agree as follows:

1. Section 2.2.8, under the heading "Term and Renewal," is deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

2.2.8 You must sign and deliver to us a general release, in a form that we will provide, of any and all claims against us and our affiliates, and our respective officers, directors, agents, and employees. If you are an entity, then your affiliates and your direct and indirect owners (and any other parties that we reasonably request) must also sign and deliver that release to us, provided, however, that all rights enjoyed by you and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied.

2. Section 16.5.1, under the heading "Transfer of Interest," is deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

16.5.1 The transferor must have executed a general release, in a form satisfactory to us, of any and all claims against us and our affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, claims arising under this Agreement, any other agreement between you and us, and/or our respective affiliates, and federal, state, and local laws and rules, provided, however, that all rights enjoyed by the transferor and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied.

3. Section 27.5 of the Agreement, under the heading "Applicable Law and Dispute Resolution," shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

27.5 Injunctions. Nothing contained in this Agreement shall bar our right to seek injunctive relief against threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

4. Section 27 of the Agreement, under the heading "Applicable Law and Dispute Resolution," shall be amended by the addition of the following language:

Nothing in this Agreement should be considered a waiver of any right conferred upon you by New York General Business Law, Sections 680-695.

5. There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if you are domiciled in or the franchise will be opening in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this New York amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor:

Dessange Franchising, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

Franchisee:

By: _____

Name: _____

Title: _____

North Dakota Franchise Agreement Amendment

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51-19-01 through 51-19-17, and the policies of the office of the State of North Dakota Securities Commission, the Franchise Agreement for Dessange Franchising, LLC shall be amended as follows:

1. The Franchise Agreement shall be amended by the addition of the following Section 29:

29. The parties acknowledge and agree that they have been advised that the North Dakota Securities Commissioner has determined the following agreement provisions are unfair, unjust or inequitable to North Dakota franchisees:

- A. **Restrictive Covenants:** Any provision which discloses the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.
- B. **Situs of Arbitration Proceedings:** Any provision requiring that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.
- C. **Restriction on Forum:** Any provision requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
- D. **Liquidated Damages and Termination Penalties:** Any provision requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
- E. **Applicable Laws:** Any provision which specifies that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.
- F. **Waiver of Trial by Jury:** Any provision requiring North Dakota franchisees to consent to the waiver of a trial by jury.
- G. **Waiver of Exemplary and Punitive Damages:** Any provision requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.
- H. **General Release:** Any provision requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.
- I. **Limitation of Claims:** Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- J. **Enforcement of Agreement:** Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

2. This amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51 19 01 through 51 19 17, are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this North Dakota Amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor:

Dessange Franchising, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

Franchisee:

By: _____

Name: _____

Title: _____

Rhode Island Franchise Agreement Amendment

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties to the attached Dessange Franchising, LLC Franchise Agreement (the "Agreement") agree as follows:

1. Section 27 of the Agreement, under the heading "Applicable Law and Dispute Resolution," shall be amended by the addition of the following:

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. This amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rhode Island amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor:

Dessange Franchising, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

Franchisee:

By: _____

Name: _____

Title: _____

Washington Franchise Agreement Amendment

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940, the parties to the attached Dessange Franchising, LLC Franchise Agreement agree as follows:

The state of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a Franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940, are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Washington amendment to the Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor:

Dessange Franchising, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

Franchisee:

By: _____

Name: _____

Title: _____

EXHIBIT E-1

MULTI-UNIT DEVELOPMENT AGREEMENT

EXHIBIT E-2

STATE-SPECIFIC AMENDMENTS TO MULTI-UNIT DEVELOPMENT AGREEMENT

Hawaii Multi-Unit Development Agreement Amendment

In recognition of the requirements of Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., the parties to the attached Dessange Franchising, LLC Multi-Unit Development Agreement (the "Agreement") agree as follows:

1. Section 8.4.1, under the heading "Transfer of Interest," is deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

8.4.1 The transferor must have executed a general release, in a form satisfactory to us, of any and all claims against us and our affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, claims arising under this Agreement, any other agreement between you and us, and/or our respective affiliates, and federal, state, and local laws and rules, excluding only such claims as you may have under the Hawaii Franchise Investment Law.

2. Section 11, under the heading "Obligations Upon Termination or Expiration," shall be amended by the addition of the following new paragraph 11.7, which shall be considered an integral part of the Agreement:

11.7 Notwithstanding anything to the contrary in this Section 11, we shall comply with Hawaii law which currently requires that we compensate you upon termination or refusal to renew the franchise for the fair market value, at the time of the termination or expiration of the franchise of any inventory, supplies, equipment and furnishings which were purchased from us or a supplier designated by us. Personalized materials which have no value to us need not be compensated for. If we refuse to renew a franchise for the purpose of converting your business to one owned and operated by us, we, in addition, must compensate you for the loss of goodwill. We may deduct reasonable costs incurred in removing, transporting and disposing of your inventory, supplies, equipment and furnishings pursuant to these requirements, and may offset any moneys due to us.

3. This Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Hawaii amendment to the Multi-Unit Development Agreement on the same date as the Multi-Unit Development Agreement was executed.

Franchisor:

Dessange Franchising, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

Franchisee:

By: _____

Name: _____

Title: _____

Illinois Multi-Unit Development Agreement Amendment

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§ 705/1 to 705/44, the parties to the attached Dessange Franchising, LLC Multi-Unit Development Agreement (the "Agreement") agree as follows:

1. Section 10 of the Agreement, under the heading "Default and Termination," shall be amended by the addition of the following new paragraph 10.9, which shall be considered an integral part of the Agreement:

10.9 If any of the provisions of this Section 10 concerning termination are inconsistent with Section 19 of the Illinois Franchise Disclosure Act, then said Illinois law shall apply.

2. Section 20.1 of the Agreement, under the heading "Applicable Law and Dispute Resolution," shall be deleted in its entirety, and shall have no force or effect; and the following new paragraph shall be substituted in its place:

20.1 This Agreement takes effect upon its acceptance and execution by us, and shall be interpreted and construed under the laws of Illinois.

3. Section 20.2 of the Agreement, under the heading "Applicable Law and Dispute Resolution," shall be deleted in its entirety.

4. Section 20 of the Agreement, under the heading "Applicable Law and Dispute Resolution," shall be amended by the addition of the following new Section 20.10, which shall be considered an integral part of the Agreement:

20.10 Nothing contained in our Franchise Disclosure Document, this Agreement, or any other agreements between you and us shall constitute a condition, stipulation, or provision purporting to bind any person to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other Illinois law (as long as the jurisdictional requirements of the Illinois Franchise Disclosure Act are met).

5. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this amendment.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Illinois amendment to the Multi-Unit Development Agreement on the same date as the Multi-Unit Development Agreement was executed.

Franchisor:

Dessange Franchising, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

Franchisee:

By: _____

Name: _____

Title: _____

Maryland Multi-Unit Development Agreement Amendment

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached Dessange Franchising, LLC Multi-Unit Development Agreement (the "Agreement") agree as follows:

1. Section 8.4.1, under the heading "Transfer of Interest," shall be amended by the addition of the following language:

The general release required as a condition of assignment, transfer or sale shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Sections 20.3, 20.6, and 20.7 of the Agreement, under the heading "Applicable Law and Dispute Resolution," shall be amended by the addition of the following language:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

3. Section 21 of the Agreement, under the heading "Acknowledgments," shall be amended by the addition of the following:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

4. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Maryland amendment to the Multi-Unit Development Agreement on the same date as the Multi-Unit Development Agreement was executed.

Franchisor:

Dessange Franchising, LLC

By: _____

Name: _____

Title: _____

Effective Date: _____

Franchisee:

By: _____

Name: _____

Title: _____

Minnesota Multi-Unit Development Agreement Amendment

In recognition of the requirements of the Minnesota Franchise Act, Minn. Stat. § 80C., and of the Rules and Regulations promulgated thereunder by the Commissioner of Commerce, the parties to the attached Dessange Franchising, LLC Multi-Unit Development Agreement (the "Agreement") agree as follows:

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the "Franchise Act"). To the extent that the Agreement and Franchise Disclosure Document contain provisions that are inconsistent with the following, such provisions are hereby amended:

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases): (1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement; and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols, or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

Minnesota considers it unfair to not protect the franchisee's rights to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

2. Each provision of this Amendment to the Agreement shall be effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Act are met independently with respect to each such provision and without reference to this Amendment to the Agreement.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed, and delivered this Minnesota amendment to the Multi-Unit Development Agreement on the same date as the Multi-Unit Development Agreement was executed.

Dessange Franchising, LLC

Franchisor

Franchisee Entity

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Effective Date: _____

New York Multi-Unit Development Agreement Amendment

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached Dessange Franchising, LLC Multi-Unit Development Agreement (the "Agreement") agree as follows:

1. Section 8.4.1, under the heading "Transfer of Interest," is deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

8.4.1 The transferor must have executed a general release, in a form satisfactory to us, of any and all claims against us and our affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, claims arising under this Agreement, any other agreement between you and us, and/or our respective affiliates, and federal, state, and local laws and rules, provided, however, that all rights enjoyed by the transferor and any causes of action arising in its favor from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied.

2. Section 20.5 of the Agreement, under the heading "Applicable Law and Dispute Resolution," shall be deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

20.5 Injunctions. Nothing contained in this Agreement will bar our right to seek injunctive relief against threatened conduct that will cause us loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

3. Section 20 of the Agreement, under the heading "Applicable Law," shall be amended by the addition of the following language:

Nothing in this Agreement should be considered a waiver of any right conferred upon you by New York General Business Law, Sections 680-695.

4. There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if you are domiciled in or the franchise will be opening in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this New York amendment to the Multi-Unit Development Agreement on the same date as the Multi-Unit Development Agreement was executed.

Dessange Franchising, LLC
Franchisor

Franchisee Entity

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Effective Date: _____

North Dakota Multi-Unit Development Agreement Amendment

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51-19-01 through 51-19-17, and the policies of the office of the State of North Dakota Securities Commission, the Multi-Unit Development Agreement for Dessange Franchising, LLC shall be amended as follows:

1. The Multi-Unit Development Agreement shall be amended by the addition of the following Section 22:

22. The parties acknowledge and agree that they have been advised that the North Dakota Securities Commissioner has determined the following agreement provisions are unfair, unjust or inequitable to North Dakota franchisees:

- A. **Restrictive Covenants:** Any provision which discloses the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.
- B. **Situs of Arbitration Proceedings:** Any provision requiring that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.
- C. **Restriction on Forum:** Any provision requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
- D. **Liquidated Damages and Termination Penalties:** Any provision requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
- E. **Applicable Laws:** Any provision which specifies that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.
- F. **Waiver of Trial by Jury:** Any provision requiring North Dakota franchisees to consent to the waiver of a trial by jury.
- G. **Waiver of Exemplary and Punitive Damages:** Any provision requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.
- H. **General Release:** Any provision requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.
- I. **Limitation of Claims:** Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- J. **Enforcement of Agreement:** Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

2. This amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51 19 01 through 51 19 17, are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this North Dakota Amendment to the Multi-Unit Development Agreement on the same date as the Multi-Unit Development Agreement was executed.

Dessange Franchising, LLC
Franchisor

Franchisee Entity

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Effective Date: _____

Rhode Island Multi-Unit Development Agreement Amendment

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties to the attached Dessange Franchising, LLC Multi-Unit Development Agreement (the "Agreement") agree as follows:

1. Section 20 of the Agreement, under the heading "Applicable Law and Dispute Resolution," shall be amended by the addition of the following:

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. This amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rhode Island amendment to the Multi-Unit Development Agreement on the same date as the Multi-Unit Development Agreement was executed.

Dessange Franchising, LLC
Franchisor

Franchisee Entity

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Effective Date: _____

Washington Multi-Unit Development Agreement Amendment

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940, the parties to the attached Dessange Franchising, LLC Multi-Unit Development Agreement agree as follows:

The state of Washington has a statute, RCW 19.100.180, which may supersede the Multi-Unit Development Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Multi-Unit Development Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a developer shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.

Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940, are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Washington amendment to the Multi-Unit Development Agreement on the same date as the Multi-Unit Development Agreement was executed.

Dessange Franchising, LLC
Franchisor

Franchisee Entity

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Effective Date: _____

EXHIBIT F

TABLE OF CONTENTS OF MANUAL

EXHIBIT G

FRANCHISEE COMPLIANCE CERTIFICATION

Dessange Franchising, LLC
Franchisee Compliance Certification

As you know, Dessange Franchising, LLC the ("Franchisor") and you are preparing to enter into a Franchise Agreement for the establishment and operation of a "Dessange" or "Dessange Paris" salon ("Business" or "Salon"). The purpose of this Questionnaire is to determine whether any statements or promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

The following dates and information are true and correct:

- a. _____, 201____ The date of my first face-to-face meeting with any person to discuss the possible purchase of a Salon franchise.
Initials _____
- b. _____, 201____ The date on which I received Franchisor's Franchise Disclosure Document ("FDD").
Initials _____
- c. _____, 201____ The date when I received a fully completed copy other than signatures) of the Franchise Agreement and Addenda if any) and all other documents I later signed.
Initials _____
- d. _____, 201____ The date on which I signed the Franchise Agreement.
Initials _____

Have you received and personally reviewed the Franchise Agreement and each Addendum and related agreement attached to it?

Yes _____ No _____

Do you understand all of the information contained in the Franchise Agreement, each Addendum and related agreement provided to you?

Yes _____ No _____

If no, what parts of the Franchise Agreement, Addendum, and/or related agreement do you not understand? Attach additional pages, as needed.)

Have you received and personally reviewed the FDD that was provided to you?

Yes _____ No _____

Did you sign a receipt for the FDD indicating the date you received it?

Yes _____ No _____

Do you understand all of the information contained in the FDD and any state-specific Addendum to the FDD?

Yes _____ No _____

If No, what parts of the FDD and/or Addendum do you not understand? Attach additional pages, as needed.)

Have you discussed the benefits and risks of establishing and operating a Business with an attorney, accountant, or other professional advisor?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

Do you understand that the success or failure of your Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes _____ No _____

Do you understand that no agreement or addendum is effective until it is also signed and dated by the Franchisor?

Yes _____ No _____

Do you understand that there are no promises, agreements, "side deals," arrangements, written or oral that are not in the Franchise Agreement.

Yes _____ No _____

If you have answered No to any one of questions 7-10, please provide a full explanation of each No answer in the following blank lines. Attach additional pages, as needed, and refer to them below.) If you have answered "Yes" to each of questions 7-10, please leave the following lines blank.

Has any employee or other person speaking for the Franchisor made any statement or promise concerning the revenues, profits or operating costs of a Business operated by the Franchisor or its franchisees, that is contrary to the information contained in the FDD?

Yes _____ No _____

Has any employee or other person speaking for the Franchisor made any statement or promise regarding the amount of money you may earn in operating the Business that is contrary to the information contained in the FDD?

Yes _____ No _____

Has any employee or other person speaking for the Franchisor made any statement or promise concerning the total amount of revenue the Business will generate, that is contrary to the information contained in the FDD?

Yes _____ No _____

Has any employee or other person speaking for the Franchisor made any statement or promise regarding the costs you may incur in operating the Business that is contrary to or different from, the information contained in the FDD?

Yes _____ No _____

Has any employee or other person speaking for the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Business?

Yes _____ No _____

Has any employee or other person speaking for the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the FDD?

Yes _____ No _____

Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise before today?

Yes _____ No _____

Have you paid any money to the Franchisor concerning the purchase of this franchise before today?

Yes _____ No _____

If you have answered Yes to any one of questions 12-19, please provide a full explanation of each Yes answer in the following blank lines. Attach additional pages, as needed, and refer to them below.) If you have answered No to each of questions 12-19, please leave the following lines blank.

Do you understand that all disputes and claims you may have against the Franchisor must be heard in the courts of Massachusetts if not resolved informally or by mediation)?

Yes _____ No _____

Do you understand that the Franchise Agreement and the personal guarantee provides that you can only collect compensatory damages on any claim under or related to the Franchise Agreement and not any consequential or punitive damages?

Yes _____ No _____

Do you understand that the Franchise Agreement and the personal guarantee includes a waiver of jury trials?

Yes _____ No _____

Do you understand that the Franchise Agreement and the personal guarantee includes a statement that claims need to be brought within one year after they arise or they may no longer be brought after that time?

Yes _____ No _____

During my negotiations and evaluations leading up to my decision to buy a Salon franchise, I communicated with the following individuals employed by the Franchisor or its affiliates, or independent brokers:

Name	Address
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

[Insert additional names and addresses below if needed]

Please understand that your responses to these questions are important to us and that we will rely on them.

By signing this Questionnaire, you are representing that you have responded truthfully,

accurately, and completely to each of the above questions.

FRANCHISE APPLICANT

Signed _____

Printed Name _____

_____, 20____
Date

EXHIBIT H
LIST OF STATE ADMINISTRATORS

We intend to register this disclosure document as a "franchise" in some or all of the following states, in accordance with the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

CALIFORNIA Commissioner of Business Oversight Department of Business Oversight 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 876-7500 Toll Free: (866) 275-2677	NEW YORK Bureau of Investor Protection and Securities New York State Department of Law 120 Broadway, 23rd Floor New York, New York 10271 (212) 416-8211
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	NORTH DAKOTA North Dakota Securities Department 600 Boulevard Avenue, State Capitol Fifth Floor, Dept. 414 Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	RHODE ISLAND Department of Business Regulation Securities Division Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	SOUTH DAKOTA Department of Labor and Regulation Division of Securities 124 South Euclid, Suite 104 Pierre SD 57501 (605) 773-4823
MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	VIRGINIA State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
MICHIGAN Michigan Attorney General's Office Consumer Protection Div., Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 373-7117	WASHINGTON Department of Financial Institutions Securities Division - 3rd Floor 150 Israel Road, S.W. Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Commissioner of Commerce Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101 (651) 539-1500	WISCONSIN Office of the Commissioner of Securities 201 W. Washington Ave., Suite 300 Madison, WI 53703 (608) 261-9555

EXHIBIT I

FINDER'S AGREEMENT

**DESSANGE FRANCHISING, LLC
NON-EXCLUSIVE
FINDER'S AGREEMENT**

This non-exclusive finder's agreement ("Agreement") is entered into between Dessange Franchising, LLC, a Delaware corporation ("DF") and the Dessange Licensee(s) identified below ("Seller") pursuant to the following mutual understandings:

- A. Seller wishes the assistance of DF in identifying qualified prospective purchasers for Seller's Dessange Salon ("Salon") located at _____.
- B. DF's assistance to Seller will consist of introducing Seller to potential purchasers identified by DF who are believed to be qualified to pursue a Dessange franchise opportunity ("Buyers").
- C. Because DF's role will be limited to introducing Buyers to Seller, Seller understands that DF is not acting as a broker under this Agreement.
- D. Given DF's limited role as a finder, DF recommends that Seller consider employing a professional business broker and/or engaging other professional assistance in pursuing the sale of the Salon.

Now, therefore, for good and valuable consideration, including the foregoing recitals and the mutual promises, covenants, terms and conditions set forth below, the undersigned parties agree as follows:

- 1. During the term of this Agreement, DF will place the Salon on a list of available Dessange Salons for consideration by Buyers. DF shall not be obligated in any way to expend any money or specific efforts to market or advertise the Salon, or to introduce to Seller any minimum number of Buyers.
- 2. The term of this Agreement shall be for a period of six (6) months from the effective date set forth below, unless terminated by either party upon ten (10) days written notice to the other party.
- 3. In the event a Buyer who has been introduced to Seller by DF purchases the Salon during the term of this Agreement or within a period of one year thereafter, Seller agrees to pay DF a finder's fee of Five Thousand Dollars (\$5,000.00) or 5% of the purchase price, whichever is greater. The above fee shall be payable in full to DF at the time of closing and shall be deducted from the proceeds otherwise paid to Seller. Financing or terms offered by Seller shall not affect the amount of the fee due to DF.
- 4. For the purposes of Paragraph 3, above, Seller will be deemed to have sold the Salon to a Buyer whenever a Buyer or an entity controlled by a Buyer takes title or possession of (a) the Salon assets, or (b) fifty percent (50%) or more of the ownership interest of the entity owning the Salon.
- 5. DF may submit this Agreement to any escrow opened to facilitate the sale of the Salon, and this Agreement shall be deemed to constitute irrevocable instructions of Seller to the escrow officer that the above fee must be paid by the escrow

officer to DF before or at the closing.

6. DF may coordinate with Seller for Buyers to visit the Salon at mutually convenient times.
7. Seller will cooperate in good faith with DF's efforts to find a Buyer who is ready, willing and able to purchase the Salon and will provide whatever financial and other information may be reasonably requested by the Buyer regarding the Salon and its operations. This information may include, but need not be limited to, profit and loss statements, reports submitted to DF, and any financial analysis package prepared with respect to the Salon.
8. Seller hereby authorizes DF to release any and all information regarding the operation of the Salon that Seller has provided to DF for presentation to Buyers, provided that such information shall be submitted to a Buyer only after the Buyer has entered into a nondisclosure agreement acceptable to Seller.
9. Seller acknowledges that it is solely responsible for the accuracy of any financial and other information given by DF to Buyers. Seller further acknowledges: (i) that DF will not perform any audit or verification of the information provided by Seller, or otherwise revise, change or alter the information, and (ii) that DF will disclose to Buyers that this information is strictly the representation of the Seller and that DF does not take any responsibility whatsoever regarding its accuracy or reliability. Buyers shall have the right to initiate reasonable efforts to verify the accuracy of information provided to them, and the Seller shall cooperate and assist in all such efforts.
10. Seller acknowledges that DF is acting solely to find a Buyer and cannot negotiate or provide advice on the terms and conditions of sale of the Salon. Seller acknowledges that DF neither represents the Seller nor any Buyer in any agency capacity and is not a licensed business or real estate broker. Seller acknowledges that CAF is not acting and has not acted as a business, accounting, legal or tax advisor for Seller in any capacity. Seller shall negotiate and conclude the sale terms and conditions itself or retain properly licensed professionals, if deemed necessary by Seller, to perform all such work.
11. Seller also acknowledges that any Buyer must comply with DF's current transfer requirements and that DF, as Regional Licensor of the Dessange system, will take appropriate actions under the license agreement between Seller and DF to process any potential transfer. Nothing in this agreement limits or otherwise alters Seller's or DF's rights, duties or obligations under the license agreement, including any right of first refusal in favor of DF. In the event that DF does exercise its right of first refusal, Seller shall remain obligated to pay the referral fee due in accordance with Paragraph 3, above.
12. Seller agrees to indemnify, defend and hold harmless DF, and its shareholders, officers, directors, agents and employees, from any claims, liabilities, actions, damages, or costs (including attorney's fees) arising out of or in any way connected with this Agreement or the sale of the Salon.
13. Seller acknowledges that DF has advised Seller to consult with Seller's attorney,

accountant and/or business advisor, as appropriate, regarding all issues relating to a sale of the Salon. Seller acknowledges that, except as may be expressly set forth in this Agreement or in the license agreement between CAF and Seller, DF has no duty or obligation to Seller.

14. Other than the franchise agreement, which shall remain unaffected hereby, this Agreement supersedes any and all previous agreements, either oral or written, between the parties with respect to the sale and transfer of the Salon and contains all covenants and agreements between the parties with respect to CAF acting as a finder for such sale and transfer. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements have been made by any party, or anyone acting on behalf of any party, which are not included herein, and that no agreement, statement or promise not contained in this Agreement shall be valid or binding.
15. Any modifications of the Agreement shall be effective only if in writing and signed by both parties.
16. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts. Any dispute arising or relating to this Agreement will be resolved as set forth in the Seller's franchise agreement, and such dispute resolution provisions will survive the sale of Seller's Salon.
17. This Agreement shall be effective when signed by DF below:

Seller/Licensee:

Legal Name of Entity, if not a sole proprietorship

By: _____

By: _____

Name Printed

Name Printed

Date

Date

Dessange Franchising, LLC :

By: _____
(Title)

(Date)

EXHIBIT J

STATE-SPECIFIC ADDENDA TO DISCLOSURE DOCUMENT

California Disclosure Addendum

In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516, and the California Franchise Relations Act, Cal. Bus. & Prof. Code §§ 20000-20043, the Disclosure Document for Dessange Franchising, LLC in connection with the offer and sale of franchises for use in the State of California shall be amended to include the following:

1. Our website, www.dessange-inc.com, has not been reviewed or approved by the California Department of Business Oversight. Any complaints concerning the content of the website may be directed to the California Department of Business Oversight at www.dbo.ca.gov.

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

2. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

3. YOU MUST SIGN A GENERAL RELEASE IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE § 31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE §§ 31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE § 20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§ 20000 THROUGH 20043).

4. In Item 3, "Litigation," shall be amended by the addition of the following paragraphs:

Neither we, nor any person identified in Item 2 above, is subject to any currently effective order of any national securities association or national securities exchange (as defined in the Securities and Exchange Act of 1934, 15 U.S.C. § 78a, et seq.) suspending or expelling such person from membership in such association or exchange.

5. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following paragraph(s) at the conclusion of the Item:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee/developer concerning termination, transfer, or non-renewal of a franchise/development. If the Franchise Agreement/Multi-Unit Development Agreement contain a provision that is inconsistent with the law, the law will control.

The Franchise Agreement/Multi-Unit Development Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, et seq.).

The Franchise Agreement/Multi-Unit Development Agreement contains a covenant not to compete which extends beyond the termination of the franchise/development. This provision may not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause. Under California Civil

Code § 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement/Multi-Unit Development Agreement requires application of the laws of the Commonwealth of Massachusetts. This provision may not be enforceable under California law.

Hawaii Disclosure Addendum

The following paragraphs are to be added in the state cover page:

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, AND THIS ADDENDUM, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS ADDENDUM AND THE DISCLOSURE DOCUMENT CONTAIN A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND FRANCHISEE.

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., the Disclosure Document for Dessange Franchising, LLC in connection with the offer and sale of franchises for use in the State of Hawaii shall be amended to include the following:

1. Item 20 "List of Outlets," shall be amended by the addition of the following paragraph:

This proposed registration is effective/exempt from registration or will shortly be on file in California, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington, and Wisconsin. No states have refused, by order or otherwise, to register these franchises. No states have revoked or suspended the right to offer these franchises. The proposed registration of these franchises has not been involuntarily withdrawn in any state.

2. Each provision of this Addendum to the Disclosure document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., are met independently without reference to this Addendum to the Disclosure document.

Illinois Disclosure Addendum

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§ 705/1 to 705/44 the Disclosure Document for Dessange Franchising, LLC for use in the State of Illinois shall be amended as follows:

1. The "Summary" section of Item 17 (v), entitled Choice of Forum, is amended by adding the following language:

However, any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside of the State of Illinois is void under section 4 of the current Illinois Franchise Disclosure Act, although the Franchise Agreement may provide for arbitration in a forum outside of the State of Illinois.

2. The "Summary" section of Item 17 (w), entitled Choice of Law, is amended by adding the following language:

However, except for federal law, Illinois law applies if the jurisdiction requirements of the Illinois Franchise Disclosure Act of 1987 (as amended) are met.

3. If any terms of the Franchise Agreement are inconsistent with Section 705/41 of the Illinois Franchise Disclosure Act, which states that any condition, stipulation, or provision purporting to bind any person acquiring a franchise to waive compliance with any provisions of the Act or any other law of the state of Illinois is void, then said Illinois law shall apply [to the extent such law is constitutional and valid as applied] if the jurisdictional requirements of the Illinois Franchise Disclosure Act (as amended) are met"].

4. Each provision of this addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently, without reference to this addendum.

Maryland Disclosure Addendum

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the Disclosure Document for Dessange Franchising, LLC for use in the State of Maryland shall be amended as follows:

1. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following language:

The general releases required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following language to the summary of Provision "h":

Termination upon bankruptcy may not be enforceable under federal bankruptcy law, 11 U.S.C. Section 101 et seq.

3. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following language to the summary of Provision "v":

, except for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Exhibit G, "Franchisee Compliance Certification," shall be amended by the addition of the following at the end of Exhibit G:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

Minnesota Disclosure Addendum

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the Disclosure Document for Dessange Franchising, LLC for use in the State of Minnesota shall be amended to include the following:

The following language is a summary of certain provisions of Minnesota law that may apply to Minnesota franchisees and is intended to amend and supplement Items 6, 13, and 17 of the Franchise Disclosure Document and the Cover Page:

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases): (1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement; and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols, or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

Minnesota considers it unfair to not protect the franchisee's rights to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

New York Disclosure Addendum

ADDITIONAL RISK FACTORS:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT H OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs. tit. 13, §§ 200.1 through 201.16), the Disclosure Document for Dessange Franchising, LLC for use in the State of New York shall be amended as follows:

1. Item 3, "Litigation," shall be deleted in its entirety, and the following Item 3 shall be substituted in lieu thereof:

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions

affecting a license as a real estate broker or sales agent.

2. Item 4, "Bankruptcy" shall be deleted in its entirety, and the following Item 4 shall be substituted in lieu thereof:

Neither we, nor our predecessor or affiliate, nor any of our or their officers or general partners, during the 10-year period immediately before the date of the disclosure document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

3. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by deleting "d", "j", "w" and the following new "d", "j", "w" shall be substituted in lieu thereof:

Provision	Selection in Franchise Agreement	Selection in Development Agreement	Summary
d. Termination by you	None	None	Pursuant to New York General Business Law, the franchisee may terminate the Agreement upon any grounds available by law.
j. Assignment of contract by us	16.1	8.1	There are no limits on our right to assign the agreement. No assignment will be made except to an assignee who, in Franchisor's judgment, is willing and able to assume the Franchisor's obligation under the Franchise Agreement.
w. Choice of law	27.1	20.1	Massachusetts law applies. The foregoing choice of law should not be considered as a waiver of any right conferred upon the franchisor or the franchisee by the General Business Law of the State of New York, Article 33.

4. There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if the franchisee is domiciled in or the franchise will be opened in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

STATEMENT OF DISCLOSURE DOCUMENT ACCURACY
THE FRANCHISOR REPRESENTS THAT THIS DISCLOSURE DOCUMENT DOES NOT
KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A
MATERIAL FACT.

North Dakota Disclosure Addendum

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51-19-01 through 51-19-17, and the policies of the office of the State of North Dakota Securities Commission, the disclosure document for Dessange Franchising, LLC shall be amended by the addition of the following language:

1. The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

- A. **Restrictive Covenants:** Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.
- B. **Situs of Arbitration Proceedings:** Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.
- C. **Restriction on Forum:** Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
- D. **Liquidated Damages and Termination Penalties:** Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
- E. **Applicable Laws:** Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.
- F. **Waiver of Trial by Jury:** Requiring North Dakota franchisees to consent to the waiver of a trial by jury.
- G. **Waiver of Exemplary and Punitive Damages:** Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.
- H. **General Release:** Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.
- I. **Limitation of Claims:** Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- J. **Enforcement of Agreement:** Requiring that North Dakota franchisees to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

2. Each provision of this addendum to the Disclosure document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51-19-1 through 51-19-17, are met independently without reference to this addendum to the Disclosure document.

Rhode Island Disclosure Addendum

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34 the Disclosure Document for Dessange Franchising, LLC for use in the State of Rhode Island shall be amended to include the following:

1. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following:

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. This addendum to the Disclosure document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to this addendum to the Disclosure document.

Virginia Disclosure Addendum

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, Item 17 of the Franchise Disclosure Document of Dessange Franchising, LLC shall be amended as follows:

1. Item 17, Additional Disclosure. The following statement is added to Item 17.h:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

Washington Disclosure Addendum

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.180, the Disclosure Document for Dessange Franchising, LLC in connection with the offer and sale of franchises for use in the State of Washington shall be amended to include the following:

1. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following paragraphs at the conclusion of the Item:

The state of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement/Multi-Unit Development Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise/development. There may also be court decisions which may supersede the Franchise Agreement/Multi-Unit Development Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise/development.

In any arbitration involving a franchise/development purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee/developer shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

2. Each provision of this addendum to the disclosure document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.180, are met independently without reference to this addendum to the disclosure document.

EXHIBIT K

GENERAL RELEASE

EXHIBIT K
GENERAL RELEASE LANGUAGE

The following is our current general release language that we expect to include in a release that a franchisee and/or transferor may sign as part of a renewal or an approved transfer. We may, in our sole discretion, periodically modify the release.

THIS GENERAL RELEASE (the "**Release**") is made and entered into on this _____ day of _____, 20____ (the "**Effective Date**"), by and between:

- Dessange Franchising, LLC a Delaware corporation ("**Franchisor**"); and

• _____
a [resident of] [corporation organized in] [limited liability company organized in] _____

[("**Franchisee**")][("**Transferor**")].

BACKGROUND:

A. Franchisor and Franchisee are party to a Franchise Agreement dated _____ (the "**Franchise Agreement**");

B. Franchisor and Franchisee have agreed, pursuant to the Franchise Agreement, [to renew or extend Franchisee's rights under the Franchise Agreement (the "**Renewal Transaction**")][to permit a transfer or assignment of _____ pursuant to Section 16 of the Franchise Agreement (the "**Transfer Transaction**")], and in connection with the [Renewal Transaction][Transfer Transaction], Franchisor and [Franchisee][Transferor] have agreed to execute this Release, along with such other documents related to the approved [Renewal Transaction][Transfer Transaction].

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

1. **Release.** [Franchisee][Transferor], its officers and directors and Principals, and their respective agents, heirs, administrators, successors and assigns (the "**Franchisee Group**"), hereby forever release and discharge, and forever hold harmless Franchisor, its current and former affiliates and predecessors, and their respective shareholders, partners, members, directors, officers, agents, representatives, heirs, administrators, successors and assigns (the "**Franchisor Group**") from any and all claims, demands, debts, liabilities, actions or causes of action, costs, agreements, promises and expenses of every kind and nature whatsoever, at law or in equity, whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, which [Franchisee][Transferor] and/or its Principals had, have or may have against any member of the Franchisor Group, including, without limitation, any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Franchise Agreement, the relationship created by the Franchise Agreement, or the development, ownership or operation of the Franchised Salon. The Franchisee Group further indemnifies and holds the Franchisor Group harmless against, and agrees to reimburse them for any loss, liability, expense or damages (actual or consequential) including, without limitation, reasonable attorneys', accountants' and expert witness fees, costs of investigation and proof of facts, court costs and other litigation and travel and living expenses, which any member of the Franchisor Group may suffer with respect to any claims or causes of action which any customer, creditor or other third party now has, ever had, or hereafter would or could have, as a result of, arising from or relating

to the Franchise Agreement or the Franchised Salon. The Franchisee Group and its Principals represent and warrant that they have not made an assignment or any other transfer of any interest in the claims, causes of action, suits, debts, agreements or promises described herein.

2. General Terms.

2.1. This Release shall be binding upon, and inure to the benefit of, each party's respective heirs, representatives, successors, and assigns.

2.2. This Release shall take effect upon its acceptance and execution by each of the parties hereto.

2.3. This Release may be executed in counterparts, and signatures exchanged by fax, and each such counterpart, when taken together with all other identical copies of this Release also signed in counterpart, shall be considered as one Release.

2.4. The captions in this Release are for the sake of convenience only, and shall neither amend nor modify the terms hereof.

2.5. The parties agree that all actions arising under this Release must be commenced in the state or federal court of general jurisdiction in Massachusetts, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. This Release shall be interpreted and construed under the laws of the State of Commonwealth of Massachusetts. In the event of any conflict of law, the laws of the Commonwealth of Massachusetts shall prevail (without regard to, and without giving effect to, the application of Massachusetts conflict of law rules).

2.6. This Release constitutes the entire, full, and complete agreement between the parties concerning the subject matter hereof, and supersedes all prior agreements and communications concerning the subject matter hereof. No other representations have induced the parties to execute this Release. The parties agree that they have not relied upon anything other than the words of this Release in deciding whether to enter into this Release.

2.7. No amendment, change, or variance from this Release shall be binding on either party unless in writing and agreed to by all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Release in duplicate on the day and year first above written.

Franchisor:

[Franchisee][Transferee]:

Dessange Franchising, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT L
RECEIPTS

EXHIBIT L
ITEM 23 • RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Dessange Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you:

a) 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale; or

b) In New York and Rhode Island, if applicable, at the earlier of i) your first personal meeting to discuss the franchise, or ii) 10 business days before you sign a binding agreement with, or make payment to us or an affiliate in connection with the proposed franchise sale; or

c) In Michigan, we must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Dessange Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency listed in Exhibit H.

The franchisor is Dessange Franchising, LLC located at 500 Cummings Center, Suite 1100, Beverly, Massachusetts 01915 (tel - 978.232.5600).

Issuance date is August 1, 2017 as amended November 2, 2017.

The franchise seller is Robert Loffredo of Dessange Franchising, LLC located at 500 Cummings Center, Suite 1100, Beverly, Massachusetts 01915 (tel - 978.232.5600). Any additional individual franchise sellers involved in offering the franchise are: _____

Dessange Franchising, LLC authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I have received a Franchise Disclosure Document dated August 1, 2017, as amended November 2, 2017, and with effective dates of state registration as listed on the State Cover Page. This Disclosure Document included the following exhibits:

- | | |
|---|---|
| A Agents for Service of Process | F Table of Contents for Manual |
| B List of Current and Former Franchisees and Company/Affiliated-owned Units | G Franchise Compliance Certification |
| C Financial Statements | H List of State Administrators |
| D-1 Franchise Agreement and Exhibits | I Finder's Agreement |
| D-2 State-specific Amendment(s) to Franchise Agreement | J State-specific Addenda to Disclosure Document |
| D-3 Salon & Spa Amendment | K General Release |
| E-1 Multi-Unit Development Agreement | L Receipts (2 copies) |
| E-2 State-specific Amendment(s) to Multi-Unit Development Agreement | |

By: _____
Prospective Franchisee

Printed Name _____	Date Received _____
Street Address: _____	E-mail Address: _____
Home Phone #: _____	Mobile Phone #: _____

EXHIBIT L
ITEM 23 • RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Dessange Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you:

a) 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale; or

b) In New York and Rhode Island, if applicable, at the earlier of i) your first personal meeting to discuss the franchise, or ii) 10 business days before you sign a binding agreement with, or make payment to us or an affiliate in connection with the proposed franchise sale; or

c) In Michigan, we must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Dessange Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency listed in Exhibit H.

The franchisor is Dessange Franchising, LLC located at 500 Cummings Center, Suite 1100, Beverly, Massachusetts 01915 (tel - 978.232.5600).

Issuance date is August 1, 2017 as amended November 2, 2017.

The franchise seller is Robert Loffredo of Dessange Franchising, LLC located at 500 Cummings Center, Suite 1100, Beverly, Massachusetts 01915 (tel - 978.232.5600). Any additional individual franchise sellers involved in offering the franchise are: _____

Dessange Franchising, LLC authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I have received a Franchise Disclosure Document dated August 1, 2017, as amended November 2, 2017, and with effective dates of state registration as listed on the State Cover Page. This Disclosure Document included the following exhibits:

- | | |
|---|---|
| A Agents for Service of Process | F Table of Contents for Manual |
| B List of Current and Former Franchisees and Company/Affiliated-owned Units | G Franchise Compliance Certification |
| C Financial Statements | H List of State Administrators |
| D-1 Franchise Agreement and Exhibits | I Finder's Agreement |
| D-2 State-specific Amendment(s) to Franchise Agreement | J State-specific Addenda to Disclosure Document |
| D-3 Salon & Spa Amendment | K General Release |
| E-1 Multi-Unit Development Agreement | L Receipts (2 copies) |
| E-2 State-specific Amendment(s) to Multi-Unit Development Agreement | |

By: _____
Prospective Franchisee

Printed Name _____	Date Received _____
Street Address: _____	E-mail Address: _____
Home Phone #: _____	Mobile Phone #: _____

