FRANCHISE DISCLOSURE DOCUMENT

Winnie Couture Franchising
A California Corporation
9437 S. Santa Monica Blvd.
Beverly Hills, California 90210
Phone: 866-350-1348
www.winniecouture.com
www.instagram.com/winniecouture/
www.facebook.com/winniecouture/

You will operate a Salon offering our Collections and Accessories which include designer WINNIE CHLOMIN® and WINNIE COUTURE® bridal gowns, red carpet event and special occasion gowns, and headpieces and veils, shoes, and accessories under the name "WINNIE COUTURE."

The total investment necessary to begin operation of a WINNIE COUTURE® Salon ranges from $~~220,800~~222,800 to $377,500. This includes the $45,000 to $98,000 that must be paid to the franchisor or affiliate.

This Franchise Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Franchise Disclosure Document and all accompanying agreements carefully. You must receive this Franchise 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 Franchise Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Jennifer Panasuk, 3224 Peachtree Road, Atlanta, Georgia 30305, franchise@winniecouture.com.

The terms of your contract will govern your franchise relationship. Don't rely on the Franchise Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Franchise Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Franchise 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 Franchise 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.

Date of Issuance: June ~~13, 2018~~21, 2019

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTE WITH US BY ARBITRATION OR LITIGATION ONLY IN CALIFORNIA. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THIS NEW FRANCHISOR HAS BEEN IN BUSINESS FOR SUCH A SHORT PERIOD OF TIME THAT ITS FRANCHISES ARE A HIGH RISK INVESTMENT THAN FRANCHISORS WITH A LONGER–TERM OPERATING HISTORY.
4. THE FRANCHISOR MAY NOT HAVE SUFFICIENT FINANCIAL RESOURCES TO SUPPORT YOUR FRANCHISE BASED ON ITS FINANCIAL STATEMENTS AND ITS INABILITY TO MAINTAIN THE REQUIRED WORKING CAPITAL BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT IN THE LAST REGISTRATION PERIOD.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should make sure to do your own investigation of the franchise.

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

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date
California	~~November 15, 2018~~

In all the other states, the effective date of this Franchise Disclosure Document is the same as the issuance date of June ~~13, 2018.~~21, 2019.

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

To simplify the language in this Franchise Disclosure Document, the term "we," "us" or "Winnie Couture" means Winnie Couture Franchising, the franchisor. The term "you" refers to the person buying the franchise, the franchisee. If you are a corporation, partnership, limited liability company, or other business entity, the term "you" does not include your principals unless otherwise stated. As used in this Disclosure Document, the term "principal" means your spouse, if you are an individual, and your owners, if you are a corporation, partnership, limited liability company, or other business entity.

The Franchisor, its Parent, Predecessors and Affiliates

We are a California corporation formed on April 22, 2016. We do business only under our corporate name and the name "Winnie Couture." Our principal business address is 9437 S. Santa Monica Blvd., Beverly Hills, California 90210. Our agents for service of process are listed in Exhibit B to this Disclosure Document. We have never before offered franchises of the type described in this Disclosure Document, and have never offered franchises in any other line of business. We have never operated a business of the type described in this Disclosure Document, but our affiliates, Winnie Couture ("WC"), Winnie Couture, Inc. ("WCI"), and Winnie Couture Company ("WCC") have operated a business similar to the type you will operate.

WCI is a Texas corporation formed on April 13, 2006 and maintains its principal business address at 5152 Buffalo Speedway, Houston, Texas 77005. WCI has never offered franchises of the type described in this Disclosure Document, and has never offered franchises in any other line of business. WCI licenses the WINNIE COUTURE trademarks to us for our use and to sublicense to franchisees in connection with the System.

WCC is a Georgia corporation formed on June 10, 2010 and maintains its principal business address at 38 E Forest Avenue, Arcadia, California 91006. WCC has never offered franchises of the type described in this Disclosure Document, and has never offered franchises in any other line of business. WCC ~~distributes gowns and dresses to our~~sells the Custom Décor Package, Bridal Show Package, and opening inventory to franchisees and is ~~our~~the principal manufacturer ~~for these items~~and distributor of gowns and dresses.

We have no parent company. No affiliate of ours has ever offered franchises in any line of business.

The Franchise Offered

We have developed a proprietary business format and system (the "System") for operating an upscale bridal salon ("Salon") offering our collection of WINNIE CHLOMIN® and WINNIE COUTURE® designs ("Collections") including, among other lines, bridal gowns, red carpet ~~event~~styles and special occasion dresses as well as related headpieces, veils, jewelry, and accessories ("Accessories"). Our Salons are identified by the trade name and service mark "WINNIE COUTURE®" and other trademarks, service marks, and other trade identifiers that we designate to identify businesses operating under our system (the "Marks"). Our System includes our proprietary and confidential information; our relationships with designers and manufacturers, our custom ordering and measurement procedures; our customer service procedures and requirements; our Salon design, layout, trade dress and color scheme.

We grant qualified candidates the right to operate a WINNIE COUTURE® Salon according to our standard franchise agreement ("Franchise Agreement") (see Exhibit C) and our standards, specifications, policies and procedures (collectively, our Standards"). We will communicate our Standards to you as part of our confidential operations and procedures manuals or other writings (our "Manual").

Market and Competition

Your Salon will compete with ~~department stores,~~ bridal boutiques ~~and~~, specialty retailers and department stores. Although there are established wedding seasons, which may be partially dependent on the climate in your area, the wedding dress and special occasion gown industry experiences little seasonality with higher sales in January which decrease and drop off in April, the remaining months tend to fluctuate and even so as not to reflect any true seasonality. ~~You~~Your business, however will be affected by changes in economic conditions.

Industry Specific Regulations

You must comply with all local, state and federal laws that apply to the operation of your Salon, including, for example, zoning health, sanitation, no-smoking, Americans with Disabilities Act, Equal Employment Opportunity Commission, Occupational Safety and Health Administration, discrimination, and employment laws. We recommend you consult with legal counsel or other professional advisors to help you investigate and understand these laws before you purchase a franchise.

ITEM 2
BUSINESS EXPERIENCE

President and Chief Executive Officer: Chris Lee

Chris Lee has served as our President and Chief Executive Officer since our inception. Chris also currently serves as the Chief Executive Officer of WC, WCI and WCC and has served in this position for each affiliate entity since 2009, 2006, and 2000, respectively. WC is located in Beverly Hills, California. WCI is located in Houston, Texas, and WCC is located in Atlanta, Georgia.

Chief Designer and Vice President: Winnie Lee

Winnie Lee has served as the Chief Designer and Vice President of the WINNIE COUTURE label since its inception in 2000 and has served in this same capacity for us since our inception. More specifically, and in addition, Winnie has served as Chief Designer and Vice President of WC, WCI, and WCC and has served in this position for each affiliate entity since 2009, 2006, and 2000, respectively. WC is located in Beverly Hills, California. WCI is located in Houston, Texas, and WCC is located in Atlanta, Georgia.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Franchise Fee

You will pay us a $45,000 initial franchise fee when you sign the Franchise Agreement. The initial franchise fee is uniform for all franchisees, and is considered fully earned and nonrefundable upon payment.

Custom Décor Package

Before the Salon opens for business, you must purchase from ~~us~~our affiliate WCC our Custom Décor Package (which includes, among other items, seating, furniture, chandeliers, custom hangers, custom garment bags, custom mannequins, custom garment bags, custom veil bags, display cases, coffee tables, custom wallpaper, mirrors, custom wall posters (both with frames and without), custom foam posters (which stand upright), custom drapes, and all light fixtures (including track lighting), signage, photographs, stand-up banners and posters, and an initial inventory of postcards and other promotional items). The cost for both the Custom Décor Package, with shipping, ranges from $20,500 to $50,000 depending on the size and layout of the Salon.

Bridal Show Package

You must purchase the Bridal Show Package from ~~us~~our affiliate WCC before you open the Salon for business. This package includes the items we require that you carry and use in connection with your attendance at various local bridal shows, including sweepstakes box, sweepstakes cards, appointment cards, curtains and drapes, tables, table covers, mannequins, trade show posters, WINNIE COUTURE posters, retractable banner, trade show light figures, business cards, pens, tote bags, tunics, celebrity placement posters, and WINNIE COUTURE trifolds. The cost of this package is $3,000 and payable to ~~us~~WCC directly.

ITEM 6
OTHER FEES

TYPE OF FEE[1]	AMOUNT	DATE DUE	REMARKS
Royalty Fee	6% of Gross Sales[2]	Payable on Wednesday of each week, following the week for which it is calculated.	See Note 2 for the definition of "Gross Sales."
Brand Development Fee	Up to 2% of Gross Sales	Payable on Wednesday of each week, following the week for which it is calculated.	See Item 11 for more information about the Brand Development Fee
Grand Opening Advertising	Minimum of $4,000	Within 90 days after your Salon first opens for business	See Item 11 for more information about your grand opening obligations.
Local Advertising Requirement	At least $4,500	Quarterly	
Renewal Fee	$20,000	When you sign the new franchise agreement.	See Item 17 for more information about renewal rights and conditions.
Transfer and Resale Fee	Amount equal to 50% of our then-current initial franchise fee	Payable prior to the transfer of the Business.	See Item 17 for information about transfer restrictions and conditions.
POS Software License Fee; Online Accounting Software License Fee	Currently, $99 per month for the POS license fee and up to $50 per month for the online accounting license fee	Monthly	Currently payable to the third party licensor of the software license granted for your use in connection with Salon operations and sales.
Additional Training	Currently, $300 per person per day plus travel, lodging, and	Before training begins	We have the right to charge for additional training provided, including: (i) initial training

TYPE OF FEE[1]	AMOUNT	DATE DUE	REMARKS
	dining costs		provided to persons repeating or replacing a person who did not pass initial training; (ii) initial training for subsequent trainees (including subsequent Salon Mangers); and (iii) periodic additional training we may provide or require, including our annual convention. Required additional training may be applicable in cases of default and/or failure to pass inspections. You are responsible for the travel, lodging, and dining costs, wages, and other expenses incurred by your trainees. Currently, our Salon Manager replacement training program is a flat $~~1,000~~1,500 fee.
Additional Assistance	Currently $~~300~~500 per trainer per day, plus our related travel, lodging, and dining costs	Before assistance	Payable if we provide requested or required consulting services in-person at your Salon location or at a place other than our offices. Required additional assistance may be applicable in cases of default and/or failure to pass inspections.
Interest and late payment fee	$50 late fee plus interest calculated at 18% per year or the highest lawful interest rate permitted by law, whichever is less	Upon demand	Payable only if you fail to make timely payments.
Insurance	Reimbursement of premium plus all other out of pocket costs incurred in connection with procuring insurance on your behalf	Upon demand.	Payable only if you fail to procure or maintain required insurance coverages, and we procure the insurance on your behalf.
Audit	This amount will vary but will be the cost of the audit	Payable upon receipt of your bill.	Payable only if you fail to furnish required information or if you understated Gross Sales

TYPE OF FEE[1]	AMOUNT	DATE DUE	REMARKS
			by more than 2%.
Indemnification	Amount of loss suffered	Payable as incurred.	Payable only if we are held liable for claims arising from your franchise operations.
Attorneys' Fees	Actual fees incurred	Payable as incurred.	Payable only in connection with fees incurred in enforcing the terms of the Franchise Agreement or if either party prevails in any legal action.
Liquidated Damages	(i) your average weekly Royalty Fee plus your average weekly Brand Development Fee due for the last 12 months (or, if less, the period the Salon has been open) before your termination, (ii) multiplied by the number of months remaining in the then-current Term of the Franchise Agreement, and (iii) discounted to present value.	On demand	Payable only if you prematurely close the Salon or if we terminate the Franchise Agreement on account of your material breach.

Note 1 Only fees that we require are imposed by and are payable to us. All fees are uniformly imposed and are non-refundable.

Note 2 "Gross Sales" means the dollar aggregate of: ***(1)*** the sales price of all merchandise, including gowns, dresses, shoes, headpieces and accessories, and the charges for all services you perform, including "rush" fees, custom design fees, fees for customization and alterations, whether made for cash, on credit or otherwise, without reserve or deduction for inability or failure to collect; ***(2)*** all fees for services performed in connection with the operation of the Salon including rush fees and custom measurement fees, ***(3)*** insurance proceeds; and ***(4)*** all monies, trade value or other things of value that you receive from Salon operations at, in, or from the Salon premises that are not expressly excluded from Gross Sales. Gross Sales do not include: ***(1)*** the exchange of merchandise between WINNIE COUTURE® Salons (if you operate multiple Salons) if the exchanges are made solely for the convenient operation of your business and not for the purpose of depriving us of the benefit of a sale that otherwise would have been made at, in, on or from the Salon premises; ***(2)*** returns to shippers, vendors, or manufacturers; ***(3)*** sales of fixtures or furniture after being used in the conduct of the Franchised Business; ***(4)*** cash or credit refunds for transactions included within Gross Sales (limited, however, to the selling price of merchandise returned by the purchaser and accepted by you); ***(5)*** the amount of any city, county, state or federal sales, luxury or excise tax on such sales that is both ***(A)*** added to the selling price or absorbed therein and ***(B)*** paid to the taxing authority by you. Customer refunds may be deducted from Gross Sales if the charge was previously included in Gross Sales.

ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee[1]	$45,000	Lump sum	Execution of Franchise Agreement	Us
Bridal Show Package	$3,000	Lump sum	Execution of Franchise Agreement	~~Us~~WCC
Lease deposit[2]	$~~4,000~~6,000 to $10,000	Lump sum	Upon signing of lease	Landlord
Signage and Awnings, Construction and Build-out[3]	$65,000 to $120,000	Varies	Varies	Contractors and architects
Custom Décor Package[4]	$20,500 to $50,000	~~Varies~~Lump Sum	~~Varies~~When invoiced	~~Us.~~ WCC
Opening Inventory[5]	$62,000 to $104,000	~~Varies~~Half of total due when order is placed and second half due before shipping	~~Varies~~When invoiced	WCC ~~and third party suppliers~~
Grand Opening Advertising[6]	$4,000 to $8,000	Varies	Varies	Various local advertising agencies and/or providers of media
Computer Systems (hardware and software), Phone and office supplies[7]	$3,800 to $6,500	Varies	Varies	Third party suppliers
Insurance	$2,500 to $4,500	Varies	Varies	Third party suppliers
Professional Fees	$3,000 to $5,000	Varies	Varies	Third party accountants, attorneys, business advisors
Initial Training[8]	$3,000 to $6,500	Varies	Varies	Third Parties
Additional Funds (3 months)[9]	$5,000 to $15,000	Varies	Varies	Third parties as needed
Total[10]	$~~220,800~~222,800 to $377,500			

Note 1 See Item 5 for more information about the initial franchise fee.

Note 2 A Salon occupies anywhere from approximately 1,200 to 2,400 square feet of retail space and is typically located in a strip shopping center, shopping mall, or other similar construction. The figures in the chart assume base rent of $~~2.6~~40 per square foot per year plus NNN charges.

Note 3 The figures in the chart do not reflect any tenant improvement allowance that you may negotiate with your landlord. Your actual costs also will depend upon additional factors including the size and condition of the existing structure, material and labor costs, the business of the previous tenant, the layout of the premises, the geographic location, and the extent to which the storefront will require ~~remodification~~modification.

Note 4 This fee accounts for all packaging material the Salon is required to have in order to operate (See Item 11 for more information) and all required furniture and fixtures.

Note 5 Opening inventory consists of approximately 75 to ~~125~~100 gowns. This amount also includes your opening inventory of wedding gowns, veils and petticoats as well as all accessories and jewelry. You must purchase your opening inventory from our distributor Winnie Couture Company as described in Item 8.

Note 6 This amount typically covers your first three months of advertising.

Note 7 This range includes the purchase and installation of at least ~~two computers, one for the front desk and the other for your back office~~one computer, all related payment and computer system hardware, our designated point of sale software, and an Apple iPhone mobile phone.

Note 8 This amount includes estimated costs of transportation, food, and lodging for two individuals remaining at our training facility for a~~ one~~ week period. This estimate may vary depending upon your own travel habits.

Note 9 The figures in the chart represent the amount of working capital you will need to open the Salon and to operate it during the first three months. It includes rent payments, advertising expenses, and miscellaneous opening costs, as well as payroll costs for your employees. It assumes that you will personally manage the day to day operations of the Salon, and includes the prorated amount of a $50,000 gross yearly salary for you. The figures in the chart do not reflect all professional fees, organizational expenses, the cost of capital (*i.e.,* brokerage fees or points), life insurance premiums (a life insurance policy may be necessary as a condition to bank financing), or debt service payments during the initial period.

Note 10 To compile these estimates, we relied on our principals' experience in operating similar businesses as described in Items 1 and 2. Your actual working capital needs during the initial period may vary significantly depending upon the following factors, which are beyond our control: how closely you follow our methods and procedures; your management skill, experience, and business acumen; local market and economic conditions; the prevailing wage rate; competition; and the sales level reached during the initial period. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the franchised business. You should review these figures carefully with a business advisor before deciding to purchase a franchise.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Gowns and Dresses

You must purchase from designated suppliers your requirements of Collections and Accessories. Our affiliate, WCC, is an approved supplier of wedding, wedding-related and special occasion gowns, veils and accessories. ~~Except for these items and the items included in the Custom Décor Package and Bridal Show Package, described in Item 5, neither we nor our affiliates are approved suppliers or the only approved suppliers of any items. Except for our officers' interest in WCC, none of our officers own an interest in any of our suppliers.~~

Marketing and Advertising Material

In order to maintain consistency among all WINNIE COUTURE® Salons you must purchase all marketing materials through us or our affiliate, which will include artwork and graphics from our ~~graphic~~creative team. Such materials include business cards, bride appointment cards, flyers, postcards, posters, mini catalogs, and any other such promotional or business marketing tools we use, or might use, as a part of the System.

Sale of Collections and Accessories

No WINNIE COUTURE® Salon may provide quotes to, or conduct sales with, customers through text, SMS, MMS, messaging platform, direct message, social media, telephone, facsimile, internet, or through any other medium that does not require a face-to-face meeting, unless that customer first comes to the Salon and sees, in person, the Collection and Accessories item, or items, they wish to receive a quote on or purchase.

Insurance

You must maintain insurance that you determine is necessary or appropriate for liabilities caused by or occurring in connection with the development and operation of the Salon, which must include the following minimum coverages:

(1) Comprehensive general liability insurance including coverage for bodily injury, personal injury, products liability, blanket contractual liability, broad form property damage, non-owned automobiles, completed operations and property damage on an occurrence basis with policy limits of not less than $1,000,000 per occurrence and $2,000,000 aggregate;

(2) Property Insurance written on an "All Risks" policy for fire and related peril (including floods, earthquakes where applicable) with limits of insurance of not less than the full replacement value of the Salon, and its furniture, fixtures, equipment, inventory and other tangible property;

(3) Business Interruption and Extra Expense coverage to include rental payment continuation for a minimum of 12 months, loss of profits and other extra expenses experienced during the recovery from property loss;

(4) Employer's Liability coverage in the amount of $100,000 per person, $500,000 in the aggregate and $100,000 for occupational disease;

(5) Workers' Compensation Coverage and such other insurance as may be required by statute or rule of the state or locality in which the Salon is located;

(6) Sign insurance with a limit of $1,000;

(7) Employee theft insurance with a limit of $25,000; and

(8) In connection with any construction, renovation, refurbishment or remodeling of the Salon you must maintain Builder's All Risks insurance and in connection with new construction or substantial renovation, refurbishment, or remodeling of the Salon, and also maintain performance and completion bonds in forms and amounts, and written by carrier(s), reasonably satisfactory to us.

We have the right to establish and modify the minimum coverages required and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards or other relevant changes in circumstances. All such insurance policies must include a waiver of subrogation in favor of us and our affiliates, and each company's officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees.

Except for wedding, wedding-related and special occasion gowns, veils and accessories and the items included in the Custom Décor Package and Bridal Show Package, described in Item 5, neither we nor our affiliates are currently approved suppliers or the only approved suppliers of any items. Except for our officers' interest in WCC, none of our officers own an interest in any of our suppliers.

We and our affiliates will derive income from your purchases and leases to the extent that you purchase and lease items from us or our affiliate, as applicable. As ~~of the date of this Disclosure Document,~~December 31, 2018, neither we nor our ~~affiliates~~affiliate, WCC, have derived any revenue as a result of franchisee purchases or leases.

We estimate that your required purchases and leases will range from 35% to 50% of your total initial investment (not including the initial franchise fee) and from 80% to 90% of your ongoing purchases and leases in the operation of the franchised business.

There currently are no purchasing or distribution cooperatives in existence with respect to the franchise system. We anticipate that we will negotiate purchase arrangements with suppliers for the benefit of our franchisees. Currently, WCC will sell inventory to franchisees at its actual cost, which includes the cost to manufacture the gowns, to import them, and repackage and them ship to franchisee.

We do not provide you any material benefits (such as renewal rights or the right to acquire additional franchises) based on your purchases from approved or designated suppliers.

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 IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
A. Site selection and acquisition/lease	Section 3	Items 6 and 11
B. Pre-opening purchases/leases	Section 4	Items 7 and 8
C. Site development and other pre-opening requirements	Sections 4 and 5	Item 7
D. Initial and ongoing training	Sections 2.B.(3) and 8	Item 11
E. Opening	Section 5	Item 11
F. Fees	Sections 2.B, 6, 7.E, 8.A, 9, 11.C, 15 and 16.F	Items 5 and 6
G. Compliance with standards and policies/Operating Manual	Sections 9, 10, and 11	Item 11
H. Trademarks and proprietary information	Sections 9, 11.M., 13, and 14.A.	Items 13 and 14
I. Restrictions on products/ services	Sections 9, 10, 11.B.-11.D.	Item 16

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
offered		
J. Warranty and customer service requirements	Section 11.K.	None
K. Territorial development and sales quotas	Section 1.B.	Item 12
L. Ongoing product/services purchases	Sections 11.B-11.G.	Item 8
M. Maintenance, appearance and remodeling requirements	Sections 2.B.(3), 10, and 11.B.	None
N. Insurance	Section 16	Item 7
O. Advertising	Section 15	Items 7 and 11
P. Indemnification	Section 20	Item 6
Q. Owners' participation/ management/ staffing	Sections 11.K.-11.L.	Item 15
R. Records/reports	Section 7	Item 11
S. Inspections/audits	Section 7	Item 11
T. Transfer	Section 17	Item 17
U. Renewal	Section 2.B.	Items 6 and 17
V. Post termination obligations	Section 19	Item 17
W. Non-competition covenants	Sections14.B. through 14.E.	Item 17
X. Dispute resolution	Section 23	Item 17

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease, or obligation.

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

Except as listed below, Winnie Couture Franchising is not required to provide you with any assistance.

Pre-Opening Obligations

Before you open your Salon, we will:

1. Review your Franchise Site Application and notify you of site approval within 30 days after receiving all requested information. (Franchise Agreement, Section 3.B.). Factors considered in selection and approval of a site includes traffic count, visibility, demographics, competition in the area, exterior of the structure, co-tenants, landlord's willingness to allow build-out, awnings, and exterior renovations and occupancy cost.

2. Review your proposed lease and notify you of our acceptance within 14 days after receiving it. (Franchise Agreement, Section 3.C.).

3. Provide to you sample drawings and plans for a WINNIE COUTURE® Salon, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs,

furnishings, storefront, signage, graphics, and color schemes. (Franchise Agreement, Section 4.A.). You are responsible for having prepared all required construction plans and specifications to suit the shape and dimensions of the Salon and for ensuring that the plans and specifications comply with applicable ordinances, building codes, permit requirements, and with lease requirements and restrictions.

4. Provide an initial training program and admit two individuals, including you, without charge. (Franchise Agreement, Section 8.A.). Our initial training program is held on an as needed basis. It consists of approximately nine days of training, and is held at our affiliate-owned Atlanta, Georgia location or such other location as we may designate.

5. Provide you on loan one copy of the Manuals which contain information and knowledge that is necessary and material to the System. (Franchise Agreement, Section 9). The Table of Contents of the Operations Manual is attached as Exhibit D.

Post-Opening Obligations

Once you open your Salon, we will:

1. Provide you with one trainer for up to five days of on-site opening assistance within the first month the Salon opens for business, typically to assist with the Salon's first bridal show or grand opening (Franchise Agreement, Section 8.B).

2. Periodically, as deemed appropriate, we will advise and consult with you in connection with the operation of the Franchised Business. (Franchise Agreement, Section 8.C.).

3. Provide to you our knowledge and expertise regarding the System and pertinent new developments, techniques and improvements in the areas of bridal fashions and salons, sales promotion, service concepts and other areas. We may provide these services through on-site visits, through the distribution of printed or filmed material or electronic information, meetings or seminars, telephone communications, email communications or other communications. (Franchise Agreement, Section 8.C.).

4. Use good faith efforts to approve or disapprove your proposed promotional and marketing materials within 10 business days after we receive them. (Franchise Agreement, Section 15.A.).

Advertising

Our advertising program for our ~~Collections and Accessories~~ brand currently consists of print advertising in local, regional and national bridal publications, participation in national and local bridal shows, advertising on online directories, search engines, review sites, and bridal resource websites, and by maintaining a blog, engaging social media influencers, and maintaining our own social media accounts. Our designated ~~graphics~~creative team will create and approve all artwork and marketing materials. You may not use your own advertising and promotional materials without our prior written approval. This includes all window display materials and items which must instead be obtained through us or, in certain limited circumstances, approved by us in writing prior to being displayed. Neither can you establish or maintain a web site, social media accounts or other presence on the Internet nor can you establish any digital presence that reflects any of the Marks or our copyrighted works, that includes the term "WINNIE" or "COUTURE" or any variation of these terms as part of any URL or domain name, that otherwise states or suggests your affiliation with us or our franchise system, or that displays the Collections and Accessories offered by your Salon. We have the right to establish minimum and maximum retail prices to the extent permitted by law. All social media marketing will be subject to our social media policy communicated to you from time to time.

Brand Development Fee

We impose and collect a Brand Development Fee of 2% of Gross Sales which compensates us for certain marketing and promotional activities such as the creation and production of promotional materials, third party marketing supplier expenses, or supporting in-house marketing efforts, including salary expenses. While we have no contractual obligation to do so, it is our intent to spend Brand Development Fee monies, or an equivalent amount, on regional and national brand development. We do not guarantee that you will benefit from the Brand Development Fee in proportion to your Brand Development Fee payments. Brand Development Fee payments are not contributions to a fund.

Brand Development Fee monies will not be held in a trust or escrow account, nor do we have any contractual obligation to account for Brand Development Fee monies separately, and we will not have any fiduciary obligations to you with respect to the Brand Development Fee. We will determine the use of the Brand Development Fee monies. If Brand Development Fee monies are not spent in the fiscal year in which they accrue then, as these amounts are general operating funds, we may spend such monies as we deem appropriate. We will not be required to spend any particular amount on marketing, advertising, or promotion in your Store's market area, nor any pro rata amount based upon your Brand Development Fee payment.

Local Advertising Requirements

Each quarter you must spend at least $4,500 on local advertising that conforms to our standards and specifications each calendar quarter, where your first quarter may be pro-rated. Any amounts contributed to an Advertising Cooperative, described below, will be credited toward satisfaction of your local advertising expenditure requirement. All marketing and promotional activities must be approved by us in advance and such activities may include, for example, community events and partnerships, e-mail marketing, and radio advertising.

Our Right to Form Advertising Cooperatives

We may form local or regional advertising cooperatives ("Advertising Cooperative") to pay for the development, placement and distribution of advertising for the benefit of Salons located in the geographic region served by the Advertising Cooperative. Any Advertising Cooperative that we establish will be operated solely as a conduit for the collection and expenditure of Advertising Cooperative fees for these purposes. If we form an Advertising Cooperative for the region in which the Salon is located, you agree to participate in the Advertising Cooperative. All franchisees are required to participate in the Advertising Cooperative. By majority vote, franchises can raise the contribution ceiling above 2% of Gross Sales. We cannot unilaterally raise the ceiling, although we are entitled to one vote per Salon owned by us or our affiliates.

We have the exclusive right to create, dissolve and merge each Advertising Cooperative created, in our discretion, and to create and amend the organizational and governing documents related thereto; provided that such documents shall: ***(1)*** operate by majority vote, with each WINNIE COUTURE® Salon (including Salons owned by us or our affiliates) entitled to one vote, ***(2)*** entitle us to cast one vote (in addition to any votes it may be entitled to on account of its operation of Salons in the area served by the Advertising Cooperative, ***(3)*** permit the members of the Advertising Cooperative, by majority vote, to determine the amount of required contributions, ***(4)*** provide that any funds left in the Cooperative at the time of dissolution shall be returned to the members in proportion to their contributions during the 12-month period immediately preceding termination. No Advertising Cooperatives have yet been formed. Governing documents have not yet been created and, therefore, are not available for your review.

You may not establish or maintain social media accounts, a web site or other presence on the Internet nor any digital presence that reflects any of the Marks or any of our copyrighted works, that includes the term "WINNIE" or "COUTURE" as part of its URL or domain name, that otherwise states or suggests your affiliation with us or our franchise system, or that uses or displays any merchandise offered at the Salon. There currently is no advertising council in place for the franchise system.

Training

Initial Training Program

We do not maintain a formal training staff. The initial training program will be conducted by or under the supervision of Chris Lee and Jennifer Panasuk. Chris Lee has been with us since our inception and has been in the bridal fashion and retail industry since January 2000. Jennifer Panasuk has been with us since our inception and has been in the bridal fashion and retail industry since August 2008. The following is a summary of our initial training program:

TRAINING PROGRAM

SUBJECT[1]	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
DAY 1			
Introduction to the Company	1	0	Atlanta, GA
Observation Start of Day Procedures/ Facility Tour and Explanation of Services	0	2	Atlanta, GA
Gown Knowledge	4	0	Atlanta, GA
Appointment Guidelines	1	0	Atlanta, GA
Calling Bride's Procedures	3	0	Atlanta, GA
Observation End of Day Procedures	1	0	Atlanta, GA
DAY 2			
Website/Mycloset Knowledge	1	0	Atlanta, GA
Phone Etiquette	1	0	Atlanta, GA
Taking an Appointment: Phone/Email	1	0	Atlanta, GA
Greeting Brides	1	0	Atlanta, GA
1st visit Consultation	1	0	Atlanta, GA
Salon Tour	1.5	0	Atlanta, GA
Fitting Room Etiquette	1	0	Atlanta, GA
DAY 3			
Helping Bride into Gown	1	0	Atlanta, GA
Customizations Services and Charges	3	0	Atlanta, GA
Closing Sales	2	0	Atlanta, GA
Selling Tips	1	0	Atlanta, GA
Accessories Assortment and Merchandising	1	0	Atlanta, GA
DAY 4			
Measuring	2	0	Atlanta, GA
Computer Systems Knowledge	2	0	Atlanta, GA
Point Of Sales	1	0	Atlanta, GA
Reporting/Accounting	1.5	0	Atlanta, GA
Purchase Orders	1.5	0	Atlanta, GA
DAY 5			
Observation End of Day Procedures	0	1	Atlanta, GA
Observation and Training/Application of Training/Taking the Lead	0	1.5	Atlanta, GA
Observing and Assist Appointment	0	2	Atlanta, GA
Observe and Assist Pick-Up/Fitting	0	1	Atlanta, GA
Completing the Sale	0	2	Atlanta, GA

SUBJECT[1]	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Accessorizing to Enhance the Sale	0	1.5	Atlanta, GA
DAY 6			
Ordering and Managing Inventory	2	0	Atlanta, GA
Packing Lists	.5	0	Atlanta, GA
Fitting Pick-up Procedures	2	0	Atlanta, GA
Alterations	1	0	Atlanta, GA
Complaints/Case Study	2	0	Atlanta, GA
DAY 7			
Bride Follow Up	1	0	Atlanta, GA
Bridal Shows/Events	2	0	Atlanta, GA
Social Media/Photo Submissions	1	0	Atlanta, GA
Management Training	3	0	Atlanta, GA
Managing Employees	2	0	Atlanta, GA
DAY 8			
Responsibilities of the Franchisee/Franchisor	2	0	Atlanta, GA
Recruiting and Interviewing	1	0	Atlanta, GA
Pre-Opening Timeline/Checklist	1	0	
Summary/Open Session	1	0	Atlanta, GA
Graduation	.5	0	Atlanta, GA
TOTAL	**54.5**	**10**	

Note 1 Instructions will be taken from the Operations Manual and other instructional forms.

There is no charge for the first two individuals to attend the initial training program, which we anticipate will be your Designated Principal and your Salon Manager (if they are not the same individual) as both are required to complete our initial training program to our satisfaction. At your request, we may permit additional individuals to attend the same training program, subject to space availability and payment of reasonable tuition.

You are responsible for all costs and expenses of complying with our training and certification requirements including tuition and registration costs and salary, travel, lodging and dining costs for all employees who participate in the training.

Additional Assistance

We may provide additional optional start-up assistance or retraining or refresher courses that you request and we agree to provide or that we require at a cost to you based on our then current daily fee for our personnel performing such assistance, plus other reasonable expenses, including all travel, lodging, and dining costs. We may require additional training if you are in default or if you fail to pass certain inspections.

Additional Training

We have the right to charge for additional training provided, including: (i) initial training provided to persons repeating or replacing a person who did not pass initial training; (ii) initial training for subsequent trainees; and (iii) periodic additional training we may provide or require, including our annual convention. Required additional training may be applicable in cases of default and/or failure to pass inspections. You are responsible for the travel, lodging, and dining costs, wages, and other expenses incurred by your trainees as well as any tuition we may set.

If you designate new or additional Salon Managers after the initial training program, we may require that such new or additional managers attend and successfully complete our training program at a location we designate at our then-current published rates, which is currently a flat $~~1,000~~1,500 fee per trainee. You agree to bear all costs incurred by your attendees.

Computer Requirement

You must acquire and use all computer systems and equipment, including surveillance cameras, which we prescribe for use by our franchisees, and may not use any computer system, components, software applications or equipment that do not conform to the Standards or that we have not approved in writing. Requirements may include, among other things, hook up to remote servers, off-site electronic repositories, and Internet connections. We may require you to update or upgrade computer hardware components and/or software applications as we deem necessary, but not more than three times per calendar year. You must enter into all software license agreements and software maintenance agreements, in the form and manner we prescribe, and pay all fees charged by third party software and software service providers. At our request, you must sign or consent to a "terms of use" agreement with respect to all software applications that we designate. We may independently access from a remote location, at any time, all information input to, and compiled by, your computer system or an off-site server, including information concerning sales, purchase orders, inventory and expenditures. There are no contractual limitations to our right to access or use the information and data.

You will use online cloud-based point of sale system designated for Salon operation. We anticipate that the cost of the equipment and software will range from $3,800 ~~for a single station~~ to $6,500 for ~~two stations~~one station. The monthly software fee due to the point of sale licensor is currently $99 per month. You will also use a designated online accounting software, which we currently anticipate will cost up to $50 per month. Finally, you will purchase, install, and use a surveillance system with remotely accessible cameras. If you choose to monitor the cameras internally, no associated monthly fee will be payable, however, third party security monitoring companies may charge a monthly fee of $30 to $50 per month.

Site Selection and Opening

When you sign the Franchise Agreement, we will agree on a "Site Selection Area" within which you may locate the Salon. You must acquire an acceptable site for the Salon within this area within ~~30~~120 days from the effective date of the Franchise Agreement. You must submit to us a form of the lease to be executed in order to obtain our written approval of the proposed site. We will approve or disapprove your proposed site within 14 business days after receiving all requested information. The criteria that we use to evaluate the selected site include visibility, demographics, traffic count, co-tenant, landlord approval of façade and addition of awnings, exterior of the building and local competition.

Once a site is identified, the parties will mutually agree on an opening date ("Opening Date"), which will be no later than 180 days from the date you take possession of the site, and the summary pages to the Franchise Agreement ("Summary Pages") will be amended to reflect the Opening Date.

We anticipate that you will open the Salon within six to nine months after the Franchise Agreement is signed. Factors affecting this range include site availability, lease or purchase negotiations, construction time, local ordinance and/or building code compliance, delivery and stocking of inventory and delaying events arising from factors outside your control. We can terminate the Franchise Agreement if you fail to acquire an acceptable site for the Salon within 120 days of the date we sign the Franchise Agreement. We also can terminate the Franchise Agreement if you fail to open the Salon for business by the Opening Date within 180 days of the date you sign a lease or otherwise acquire a site for the Salon.

ITEM 12
TERRITORY

Once you have identified the site for your Salon, we will identify an area surrounding the Salon, which we refer to as your "Designated Area." ~~Your minimum Designated Area will be a two-mile radius surrounding the Salon, if the Salon is located in the New York City, Los Angeles, Chicago, or Miami market areas, or a five-mile radius surrounding the Salon, if the Salon is located anywhere else.~~

You will operate the Salon at a location that we have approved. You may not relocate the Salon without our prior written consent. If your lease expires or terminates through no fault of yours, or if the Salon premises is destroyed or materially damaged by fire, flood or other natural catastrophe, we will permit you to relocate the Salon to another location within the Designated Area. If we grant you permission to relocate the Salon for this reason, you must open the Salon for business at the new location within 180 days of closing. If we permit you to relocate the Salon for any other reason, then you must open the Salon for business at the new location within five business days of closing.

During the term of the franchise, you may exhibit and sell merchandise and conduct ~~bridal shows~~in-store events only at the Salon premises. If you wish to participate in other shows or exhibitions, you must obtain our prior written consent at least three months in advance, which we can grant or withhold in our discretion. You may not sell or distribute any merchandise or services through alternative channels of distribution, including ~~the~~, Internet (including social medial), phone order ~~or~~, mail order, or at Bridal Show.

Also during the initial term and all renewal terms, if you are fully compliant with the Franchise Agreement, we will not operate or grant others the right to operate another WINNIE COUTURE® Salon in the Designated Area or to distribute our Collections and Accessories through Authorized Retailers in the Designated Area. We retain for ourselves all other rights including, without limitation, the right to engage in the following activities regardless of the economic effect or adverse impact that the activity may have on the Franchised Business: ***(1)*** the right to sell and distribute our ~~Collections and Accessories through department stores in and outside the Designated Area; ***(2)*** the right to sell and distribute our~~ Proprietary Collections through alternate channels of distribution~~, including via the Internet,~~ in and outside the Designated Area; ***(~~3~~2)*** the right to participate in bridal shows, fashion shows and other promotional events both in and outside the Designated Area; and ***(~~4~~3)*** the right to offer, grant and support franchises in similar and different lines of business under any proprietary marks other than the Marks.

We and our affiliates have the right to distribute our Collections and Accessories through wholesale and retail channels, except as otherwise described above. Our affiliate currently distributes our Collections through various department stores and approximately ~~100~~10 Authorized Retailers throughout the United States. We and our affiliates also have the right to engage in direct sales, via mail order and the Internet, although except for occasional inventory liquidations, we have no current plans to sell merchandise through these channels. We are not required to compensate you for any sales made in your Designated Area.

Except for the Designated Area granted in your Franchise Agreement, we do not grant any rights of first refusal to obtain additional franchise rights. If you wish to develop an additional Salon you must enter into a new Franchise Agreement and meet all our current requirements for franchisees. There are no other circumstances that permit us to modify your Designated Area. We set no minimum sales quota, nor do we revise any of your rights if the population increases in your Designated Area.

ITEM 13
TRADEMARKS

Our affiliate WCI owns, and has registered the following marks on the Principal Register of the United States Patent and Trademark Office. All required affidavits have been filed.

MARK	REGISTRATION NO.	INTERNATIONAL CLASS	REGISTRATION DATE
Winnie Couture (standard characters)	2809245	035	January 27, 2004
Winnie Couture (standard characters)	3658184	035	September 22, 2009
Winnie Chlomin (standard characters)	3896050	025	October 5, 2009
Winnie	5254541	014;025	August 1, 2017
"Haute Bridal Fashion" (standard characters)	3425823	035	May 13, 2008

There is no currently effective material determination of the U.S. Patent and Trademark Office, 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 Marks. There are no agreements currently in effect, which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise. We are not aware of any superior prior rights or infringing uses of the Marks in any state.

Through intercompany license agreements between ourselves and our affiliates, WCI and WC, we have been granted the perpetual right to use and sublicense the above-listed Marks for the benefit of the franchise system. The agreements may only be terminated should we breach the agreement and not cure such breach within 30 days after receipt of notice, or upon our insolvency or dissolution or the filing of a petition for bankruptcy.

You must use the Marks in full compliance with provisions of the Franchise Agreement and according to the rules we periodically prescribe. You may not use the Marks as a part of your corporate name or with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos licensed by us to you). You may not use any name or mark associated with the sale of any unauthorized product or services in any other manner not explicitly authorized in writing by us.

You may not use the Marks, any recognizable portion of the Marks, or any of the Copyrighted Works on the Internet, in any electronic or digital form, or on or through any electronic or digital medium, unless expressly permitted by us in writing. Also, you may not establish or maintain any recognizable portion of the Marks, or terms that may suggest an affiliation with us, for use or display as all or part of an e-mail address, Internet domain name, uniform resource locator ("URL"), or meta-tag, or in connection with any Internet home page, web site, social media account, messaging platform, or any other digital or Internet-related activity without our express written consent, and then only in accordance with our procedures, standards, and specifications. This prohibition also includes the use or registration of the Marks, or any derivative of the Marks, as a part of any user name, account, or in any other way that may suggest an affiliation with us or the franchise system, on any gaming, blogging, user review, video sharing, or social networking website, or as part of any unauthorized email address.

If there is any infringement of, or challenge to, your use of any name, mark, or symbol, you must immediately notify us, and we may take any action that we deem appropriate, in our sole discretion. The Franchise Agreement does not require us to take affirmative action if notified of the claim. We have the right, but no contractual obligation, to initiate, direct, defend you against, and control any litigation or administrative proceeding relating to the Marks, including, but not limited to, any settlement. We will be entitled to retain any and all proceeds, damages, and other sums, including attorneys' fees, recovered or owed to us or our affiliates in connection with any such action. You must execute all documents and render any other assistance we or may deem necessary to any such proceeding or any effort to maintain the continued validity and enforceability of the Marks.

We have the right, upon reasonable notice, to change, discontinue, or substitute any of the Marks and to adopt new Marks for use with the System without any liability to you. You must implement any of these changes at your own expense within the time we reasonably specify. You may not contest, directly or indirectly, our ownership, title, right or interest in the name or marks, trade secrets, methods, procedures, and advertising techniques which are part of the System or contest our sole right to register, use or license others to use such names, marks, trade secrets, methods, procedures, or techniques.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents or registered copyrights material to the franchise, but we claim copyright protection in many elements of the System. In particular, and most importantly, we claim copyright protection in the proprietary design of the couture bridal, destination bridal, and red carpet ~~event~~style and special occasion gowns. In addition to the design of these and any additional gowns, we claim copyright protection in all accessories and jewelry designed under the WINNIE COUTURE® label. Apart from such goods, we further claim copyright protection in the Manual and the design elements of the Marks, our product packaging and advertising and promotional materials, and the content and design of our web site. All of the above will be referred to in this Item 14 as the "Copyrighted Works."

You and your principals and employees also must maintain the confidentiality of all trade secrets, the Standards and other elements of the System; all customer information; all information contained in the Manuals; and any other information that we designate as "Confidential Information." All employees with access to Confidential Information must sign a confidentiality and noncompete agreement substantially in the form that we designate.

You must promptly notify us of any apparent infringement of, or challenge to, your use of any of the Copyrighted Works or Confidential Information. We are not required to take affirmative action when notified of a claim, or to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving any of the Copyrighted Works or Confidential Information, or if the proceeding is resolved unfavorably to you, but will take whatever action we determine to be appropriate under the circumstances. We have the right to control all administrative proceedings or litigation involving the Copyrighted Works, and we will control administrative proceedings or litigation involving Confidential Information. If we or our affiliate undertakes the defense or prosecution of any litigation pertaining to any of the Copyrighted Works or Confidential Information, you must sign all documents and perform such acts and things as may, in the opinion of our counsel, be necessary to carry out the defense or prosecution.

You may not display the Copyrighted Works in any promotional materials or on any web site, except as expressly authorized by us.

If you or your employees or owners develop any new concept, process or improvement in the operation or promotion of your Store, you must promptly notify us and give us all necessary information about the new process or improvement, without compensation. You and your owners agree that any of these concepts, processes, or improvements will become our property, and we may use or disclose them to other franchisees, as we determine appropriate.

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

An individual owning at least a 51% ownership interest in the franchise must supervise the Salon on-premises for at least 20 hours per week ("Designated Principal").

An individual franchisee's spouses and each owner of a business entity franchisee (and if the owner is itself a business entity, that entity's direct and indirect owners) must sign an Undertaking and Guaranty substantially in the form of Attachment D to the Franchise Agreement, under which he or she personally guarantees performance of the franchisee's obligations and agrees to be personally bound by all covenants and restrictions contained in the Franchise Agreement (such as confidentiality covenants, restrictions against transfer, and noncompete obligations). Any individual who attends our initial training program, including any manager, must sign a confidentiality and non-competition agreement substantially in the form attached as Attachment E to the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all Collections and Accessories that we require, and may offer and sell only products and services that we approve. We may add, eliminate or modify authorized goods and services, in our sole discretion. There are no contractual limitations on our rights to make these changes.

We do not impose customer restrictions, but you may not market or advertise in, or solicit business from customers located outside of your Designated Area. All sales must be for retail consumption only and you may not engage in wholesale or e-commerce sales of any kind nor are you permitted to offer products or services through any channels of distribution without our prior written consent. We have the right to establish maximum, minimum or other retail pricing requirements to the extent permitted by law.

You must keep the Salon open and operating on the days and during the hours that we designate, subject to applicable lease and/or local law or licensing limitations. Our mandatory hours of operation will be communicated to you via the Manual or otherwise in writing.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a) Length of the franchise term	Section 2.A.	10 years.
b) Renewal or extension of the term	Section 2.B.	If you are in good standing you may renew for two additional five-year terms.
c) Requirements for franchisee to renew or extend	Section 2.B.	Provide notice; may not be in default of Franchise Agreement or any other agreement; must renovate and modernize the Salon to conform to our then-current image; you and employees must be in compliance with our then-current training requirements; you must have the right to possess the Salon premises or have secured a substitute location; you and all guarantors must sign a release (which will not be inconsistent with any state law regulating franchising); must have operated substantially in accordance with the Franchise Agreement throughout the term. If we permit you to renew, you must sign our then-current form of

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		franchise agreement, the terms and conditions of which may be materially different than the terms and conditions of our current franchise agreement and may reflect different royalty fee and advertising obligations, and must pay the renewal fee. See Item 6.
d) Termination by franchisee	No provision	Not applicable.
e) Termination by franchisor without cause	No provision	Not applicable.
f) Termination by franchisor with cause	Section 18	We can only terminate if you are in default.
g) Cause defined – curable defaults	Section 18.C.	Your failure to pay monies owed to us or to our affiliates; misuse of the Marks or our copyrighted works or other intellectual property not cured within five days after delivery of written notice; Salon is cited for violation of health, sanitation or safety laws or regulations not cured within five days after receipt of citation; failure to comply with any other provision of the Franchise Agreement, except as described in 18.A and 18.B.
h) Cause defined – non-curable defaults	Section 18.A. Section 18.B.	The Franchise Agreement will terminate automatically without notice and without an opportunity to cure upon the happening of certain bankruptcy or insolvency-related events, or in the event of foreclosure or lien against the assets of the Franchised Business. We may terminate the Franchise Agreement without providing you an opportunity to cure if you fail to identify a site for the Salon or to open the Salon when required; you abandon the Salon; you have made any false or misleading representations in your franchise application; you or your principal is convicted or pleads no contest to certain types of crimes; you or any principal violates confidentiality obligations; the Salon fails quality assurance inspections; termination of any other franchise agreement between you or your affiliates and us; we deliver to you three or more notices of defaults during any rolling 24-month period, whether or not the defaults describes in the notices ultimately are cured.
i) Franchisee's obligations on termination/non-renewal	Section 19	Obligations include ceasing to hold yourself out as a franchisee or former franchisee; canceling fictitious or assumed name; transferring to us the Salon's telephone number, all business listings, all social media accounts, and any other online accounts related to the Salon; at our option, assign

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		to us your interest in the lease for the Salon premises; sell to us any of the Salon's assets that we elect to purchase; and comply with post term obligations.
j) Assignment of contract by franchisor	Section 17.A.	No restriction on our right to assign our interest in the Franchise Agreement or to transfer any of our assets.
k) Transfer by you – definition	Section 17.B.	Includes transfer of Franchise Agreement, transfer of the assets of the Franchised Business, and ownership changes.
l) Franchisor approval of transfer by franchisee	Section 17.B.	We have the right to approve all transfers but will not unreasonably withhold approval.
m) Conditions for franchisor's approval of transfer	Section 17.B.	We may condition our approval on satisfaction of the following: all monetary obligations must be satisfied; you must be in full compliance with the Franchise Agreement and all other agreements; you and each Principal must sign a release (which will not be inconsistent with any state law regulating franchising); the transferee must meet our criteria for new franchisees; at our election, the transferee either must assume your obligations under the Franchise Agreement or sign our then-current form of franchise agreement for the remainder of the franchise term left on your agreement; the transferee must agree to refurbish the Salon; you must agree to remain liable for all pre-transfer obligations; the transferee must comply with our then-current training requirements; the economic terms of the transfer may not, in our opinion, materially and adversely affect the post transfer viability of the Franchised Business. You also must pay the transfer fee. See Item 6.
n) Franchisor's right to first refusal to acquire franchisee's business	Section 17.E.	We may match any bona fide offer to purchase your business.
o) Franchisor's option to purchase franchisee's business	No provision	Not applicable.
p) Death or disability of franchisee	Section 17.F.	If your Salon Manager dies or becomes incapacitated, you must appoint a new Salon Manager and transfer the Salon Manager's interest in the franchise or in the franchisee entity to an approved third party within six months after death or disability occurs.
q) Non-competition covenants during the term of the franchise	Section 14	During the term, neither you nor any principal may be involved in any business in which the sale of wedding, wedding-related and special occasion

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		gowns, dresses and accessories comprise more than 5% of total sales of the business.
r) Non-competition covenants after the franchise is terminated or expires	Section 14	For a three-year period following termination or expiration of the franchise, neither you nor any principal or employee may be involved in any business in which the sale of wedding, wedding-related and special occasion gowns, dresses and accessories comprise more than 5% of the total sales of the business and which is located ***(1)*** at the former Salon location, ***(2)*** within 10 miles of the former Salon location, or ***(3)*** within 10 miles of any other WINNIE COUTURE® Salon.
s) Modification of the agreement	Section 22.B.	The Franchise Agreement may be modified only by a written document signed by both parties.
t) Integration/merger clause	Section 22.A.	The Franchise Agreement and its Attachments constitute the full and final integrated agreement. Only the terms of the franchise agreement are binding (subject to state law). Any promises outside the disclosure document and franchise agreement may not be enforceable.
u) Dispute resolution by arbitration or mediation	No provision	Not applicable.
v) Choice of forum	Section 23.B.	Mediation and arbitration will take place in the city where our principal business office is located, currently Beverly Hills, California, at the time mediation and/or arbitration occurs. Venue for injunctive or collection proceedings will be in any court of competent jurisdiction (subject to applicable state law). See the State Specific Addenda attached to this disclosure document.
w) Choice of law	Section 23.A.	The law of California, unless the law of the State in which you reside will render a provision unenforceable under California law enforceable under your State law; subject to state law.

ITEM 18
PUBLIC FIGURES

We are closely associated with our namesake, Winnie Lee, also known as Winnie Chlomin Lee, who also is the nationally recognized designer of our Collections and Accessories. Ms. Lee has assigned to us all of her rights in and to the name WINNIE COUTURE®. To the extent that we and our franchisees distribute Ms. Lee's designer collections, Ms. Lee has granted us the royalty-free right to use her name and likeness for promotional purposes.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide 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 if the information is included in the Franchise 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 possible performance at a particular location or under particular circumstances.

There were a total of five WINNIE COUTURE Salons open and operating during the full ~~2017~~2018 calendar year. ~~Of these~~These five~~, four~~ Salons are similar to the type to be operated by franchisees. These Salons opened as follows and are owned and operated by the following affiliates: 1) the Houston, Texas Salon opened in August 2007 and is owned and operated by WCI; 2) the Atlanta, Georgia Salon opened in October 2010 and is owned and operated by WCC; 3) the Charlotte, North Carolina Salon opened in January 2015 and is owned and operated by WCC; and 4) the Frisco, Texas Salon opened in January 2014 and is owned and operated by WCI; 5) the Chicago, Illinois Salon was opened December 2017 and is owned and operated by Winnie Couture Chicago Inc. Excluded from the list of existing Salons is the Beverly Hills, California Salon which offers different and additional retail offerings than the typical Salon to be operated by franchisees. The following chart includes the ~~2017~~2018 Gross Sales and Cost of Goods Sold amounts for the above-listed four Salons in operation during the full ~~2017~~2018 calendar year:

~~2017~~2018 CALENDAR YEAR
SALON GROSS SALES AND COST OF GOODS SOLD

	Houston, TX	Atlanta, GA	Charlotte, NC	Frisco, TX	Chicago, IL
Gross Sales	$~~857,677.21~~ 684,346.96	$~~1,398,630.08~~978,711.54	$~~477,524.69~~ 431,522.62	$~~515,206.44~~ 528,992.28	$441,065.57
Cost of Goods Sold (COGS)					
Job Material	$~~237,662.77~~ 208,582.77	$~~387,623.30~~ 281,244.95	$~~124,156.42~~ 112,295.88	$~~152,529.51~~ 150,351.23	$123,259.07
Freight and Shipping Costs	$~~13,192.46~~ 10,526.36	$~~18,096.31~~ 17,062.25	$~~7,115.12~~ 5,429.68	$~~8,189.66~~ 7,727.95	$6,608.78
Merchant Account Fees	$~~13,514.46~~ 8,624.18	$~~24,788.18~~ 27,403.91	$~~8,349.42~~ 6,267.24	$~~8,564.20~~ 7,560.26	$6,684.43
~~Subcontractors & Independent Representatives~~	~~$6,931.99~~	~~$43,383.10~~	~~$5,989.93~~	~~$3,175.49~~	
Total COGS	$~~271,301.68~~ 227,733.31	$~~473,890.89~~ 325,711.11	$~~145,610.89~~ 123,992.80	$~~172,458.86~~ 165,639.44	$136,552.28
Royalty and Brand Development Fees					
Royalty Fee (6% of Gross Sales)	$~~51,460.63~~ 41,060.82	$~~83,917.80~~ 58,722.69	$~~28,651.48~~ 25,891.36	$~~30,912.39~~ 31,739.54	$26,463.93
Brand Development Fee (2% of Gross Sales)	$~~17,153.54~~ 13,686.94	$~~27,972.60~~ 19,574.23	$~~9,550.49~~ 8,630.45	$~~10,304.13~~ 10,579.85	$8,821.31
Gross Profit	$~~517,761.36~~ 401,865.89	$~~812,848.79~~ 574,703.51	$~~293,711.83~~ 273,008.01	$~~301,531.06~~ 321,033.46	$269,228.04

Some stores have sold this amount. Your Individual results may differ. There is no assurance that you will sell as much.

Note 1. Gross Sales is defined and calculated according to the definition included in Item 6.

Note 2. “Job Material” expenses include the purchase price of the gowns, accessories, veils, and other inventory.

Note 3. “Freight and Shipping Cost” expenses include transportation costs associated with the shipment of inventory items to the Salon.

Note 4. “Merchant Account Fees” include the additional percent fee on the sale price as imposed by our affiliates’ credit card payment processing merchant for the use of their services in processing customer credit and debit cards.

Note 5.~~ “Subcontractor & Independent Representative” costs include the cost for seamstresses, for example for tailoring stocked or special order dresses, as well as occasional help hired to assist with bridal shows.Note 6.~~ The above Gross Sales and COGS figures do not reflect the operating expenses, royalty payments or other costs or expenses (except cost of goods sold) that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. Each individual location and franchisee is unique, and each one will have its own set of variables that should be considered. You should conduct an independent investigation of the costs and expenses you will incur in operating your Salon.

The financial information is taken from unaudited financial information provided to us by our affiliates. It has not been independently audited. The notes that follow the chart are an integral part of the information presented in this item, and provide information to help you better understand the financial information.

Written substantiation for the financial performance representation will be made available to the prospective franchise upon reasonable request.

Except for the above, we do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize its 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 our management by contacting its President, Chris Lee, 9437 S. Santa Monica Boulevard, Beverly Hills, California 90210, 310-858-8868, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

SYSTEMWIDE OUTLET SUMMARY
FOR YEARS ~~2015~~2016 TO ~~2017~~2018

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Franchised	~~2015~~2016	0	0	0
	~~2016~~2017	0	0	0
	~~2017~~2018	0	0	0
Company-Owned	~~2015~~2016	~~4~~5	5	~~+1~~0

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
	~~2016~~2017	5	~~5~~6	~~0~~+1
	~~2017~~2018	~~5~~6	6	~~+1~~0
Total Facilities	~~2015~~2016	~~4~~5	5	~~+1~~0
	~~2016~~2017	5	~~5~~6	~~0~~+1
	~~2017~~2018	~~5~~6	6	~~+1~~0

Table No. 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS ~~2015~~2016 TO ~~2017~~2018

STATE	YEAR	NUMBER OF TRANSFERS
All States	~~2015~~2016	0
	~~2016~~2017	0
	~~2017~~2018	0
Totals	~~2015~~2016	0
	~~2016~~2017	0
	~~2017~~2018	0

Table No. 3

STATUS OF FRANCHISED OUTLETS FOR YEARS ~~2015~~2016 TO ~~2017~~2018

STATE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS-OTHER REASONS	OUTLETS AT THE END OF THE YEAR
All States	~~2015~~2016	0	0	0	0	0	0	0
	~~2016~~2017	0	0	0	0	0	0	0
	~~2017~~2018	0	0	0	0	0	0	0
Totals	~~2015~~2016	0	0	0	0	0	0	0
	~~2016~~2017	0	0	0	0	0	0	0
	~~2017~~2018	0	0	0	0	0	0	0

Table No. 4

STATUS OF COMPANY-OWNED[1] OUTLETS
FOR YEARS ~~2015~~2016 TO ~~2017~~2018

STATE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT THE END OF THE YEAR
California	~~2015~~2016	1	0	0	0	0	1
	~~2016~~2017	1	0	0	0	0	1
	~~2017~~2018	1	0	0	0	0	1
Georgia	~~2015~~2016	1	0	0	0	0	1
	~~2016~~2017	1	0	0	0	0	1
	~~2017~~2018	1	0	0	0	0	1
Illinois	~~2015~~2016	0	0	0	0	0	0
	~~2016~~2017	0	~~0~~1	0	0	0	~~0~~1
	~~2017~~2018	~~0~~1	~~1~~0	0	0	0	1
North Carolina	~~2015~~2016	~~0~~1	~~1~~0	0	0	0	1
	~~2016~~2017	1	0	0	0	0	1
	~~2017~~2018	1	0	0	0	0	1
Texas	~~2015~~2016	~~1~~2	~~1~~0	0	0	0	2
	~~2016~~2017	2	0	0	0	0	2
	~~2017~~2018	2	0	0	0	0	2
Totals	~~2015~~2016	~~4~~5	~~1~~0	0	0	0	5
	~~2016~~2017	5	~~0~~1	0	0	0	~~5~~6
	~~2017~~2018	~~5~~6	~~1~~0	0	0	0	6

Table No. 5

PROJECTED OPENINGS OF NEW FRANCHISED
OUTLETS AS OF DECEMBER 31, ~~2017~~2018

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED	PROJECTED NEW FRANCHISED OUTLET IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY-OWNED[1] OUTLET IN THE NEXT FISCAL YEAR
~~Texas~~California	~~0~~1	~~1~~0	~~0~~1
Massachusetts	1	0	1
Tennessee	1	0	1
Totals	~~0~~3	~~1~~0	~~0~~3

Note 1 Company-owned outlets are owned by our affiliates WCI, WC, and WCC~~.~~ and Winnie Couture Chicago Inc.

Our current list of the names and current addresses of our franchisees is located in Exhibit H. No franchisee has not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year. No franchisee has not communicated with us within 10 weeks of the issuance date of this Franchise Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have not signed confidentiality clauses with any current or former franchisees.

We have not formed, and are not aware of, any trademark-specific franchisee organizations associated with the WINNIE COUTURE® System.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit E are our following financial statements:

1. Our unaudited balance sheet as of March ~~30, 2018~~31, 2019 and the statement of profit and loss for the period beginning January 1, ~~2018~~2019 through March ~~30, 2018~~31, 2019; and

2. Our audited balance sheet opinion as of December 31, 2018, 2017 and 2016, and the related statements of operation, retained earnings, and cash flow for the years then ended.

Our fiscal year ends on December 31.

~~We have not been in business for three years or more and, therefore, cannot include all the financial statements required by the FTC Rule.~~

ITEM 22
CONTRACTS

Included in this Franchise Disclosure Document are the following agreements:

Exhibit C Franchise Agreement

Attachment D	Undertaking and Guaranty
Attachment E	Confidentiality and Nondisclosure Agreement
Attachment F	Collateral Assignment of Lease
Attachment G	Electronic Debit Authorization
Attachment H	Telephone Number Assignment Agreement

ITEM 23
RECEIPTS

The last two pages of this Franchise Disclosure Document are Receipt pages for you to sign acknowledging that you have received the information in this Franchise Disclosure Document. Please sign, date and return one copy of the Receipt to us and keep the other copy for your files. See the Receipt page for names, addresses and telephone numbers of our franchise sellers.

WINNIE COUTURE FRANCHISING

STATE APPENDIX TO DISCLOSURE DOCUMENT

FOR THE STATE OF CALIFORNIA

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.

The California Corporations Code, Section 31125, requires that we give you a disclosure document, approved by the Department of Business Oversight, prior to solicitation of a proposed material modification of your Franchise Agreement.

Item 3 of the Disclosure Document is supplemented by the following:

Neither the franchisor nor any person identified in Item 2 of the Disclosure Document is subject to any current effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934, U.S.C.A., 78a *et. seq.*, suspending or expelling such persons from membership in such association or exchange.

Item 5 of the Disclosure Document is supplemented by the following:

The Department of Business Oversight requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business.

Item 6 of the Disclosure Document is supplemented by the following:

With respect to Salons operated within the State of California, the following interest rate will on late amounts due:

Interest	Interest of 10% per annum from the date due	Monthly	Payable only on overdue amounts. Interest cannot exceed the maximum allowed by law.

Item 17 of the Disclosure Document is supplemented by the following:

California Business and Professions Code, Section 20000 through 20043 provides rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

You must sign a release if you renew or transfer your franchise. California Corporations Code 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).

The Franchise Agreement contains covenants not to compete that extend beyond expiration or termination of the agreement. This provision may not be enforceable under California law.

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

While the earnings claims figures do reflect certain costs of goods sold, they do not reflect all operating expenses or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

The indemnification provision in the Franchise Agreement may not be fully enforceable as to punitive damages under California law.

OUR WEBSITE CAN BE FOUND AT www. winniecouture.com. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

EXHIBIT A
LIST OF STATE ADMINISTRATORS

LIST OF STATE ADMINISTRATORS

STATE	ADMINISTRATOR
CALIFORNIA	Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, California 90013 (213) 576-7505 (866) 275-2677
HAWAII	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722
ILLINOIS	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington St., Room E-111 Indianapolis, Indiana 46204 (317) 232-6681
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
MICHIGAN	Department of Attorney General Consumer Protection Division Franchising Unit 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 373-1837
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198 (651) 296-4026
NEW YORK	New York State Department of Law Bureau of Investor Protection and Securities 120 Broadway New York, New York 10271-0332 (212) 416-8000
NORTH DAKOTA	North Dakota Securities Department 600 East Blvd. Avenue State Capitol, Fifth Floor Dept. 414 Bismarck, North Dakota 5805 (701) 328-4712

STATE	ADMINISTRATOR
OREGON	Division of Consumer and Business Services Finance and Corporate Securities 350 Winter Street N.E. Labor and Industries Bldg., Room 21 Salem, Oregon 97310 (503) 378-4387
RHODE ISLAND	Securities Division Department of Business Regulation 1511 Pontiac Avenue, Building 69-1 Cranston, Rhode Island 02920 (401) 462-9585
SOUTH DAKOTA	Department of Labor and Regulation Division of Securities 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-4823
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street. 9^{th} Floor Richmond, Virginia 23219 (804) 371-9051
WASHINGTON	Director of Department of Financial Institutions Securities Division - 3rd Floor 150 Israel Road, S.W. Tumwater, Washington 98501 (360) 902-8760
WISCONSIN	Securities and Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue Madison, Wisconsin 53703 (608) 266-3364

EXHIBIT B
LIST OF AGENTS FOR SERVICE OF PROCESS

LIST OF AGENTS FOR SERVICE OF PROCESS

STATE	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Legalzoom.com, Inc. 101 N Brand Boulevard 11th Floor Glendale, California 91203 and Commissioner Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, California 90013

EXHIBIT C
FRANCHISE AGREEMENT

WINNIE COUTURE FRANCHISING
FRANCHISE AGREEMENT

SUMMARY PAGES

EFFECTIVE DATE:	______________________________
EXPIRATION DATE:	Midnight on the date preceding the 10th anniversary of the date the Salon first opened for business
FRANCHISEE(S):	______________________________
ADDRESS OF FRANCHISEE(S):	______________________________ ______________________________
TELEPHONE NUMBER:	______________________________
FACSIMILE NUMBER:	______________________________
E-MAIL ADDRESS:	______________________________
DESIGNATED PRINCIPAL:	______________________________
INITIAL FRANCHISE FEE:	$45,000
ROYALTY FEE:	6% of Gross Sales
BRAND EVELOPMENT FEE:	Amount designated by WCF, not to exceed 2% of Gross Sales
MINIMUM LOCAL ADVERTISING EXPENDITURE:	At least $4,500 per calendar quarter, where your first quarter will be pro-rated
RENEWAL FEE:	$20,000
TRANSFER FEE:	Amount equal to 50% of WCF's then-current initial franchise fee

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WINNIE COUTURE FRANCHISING
FRANCHISE AGREEMENT

THIS AGREEMENT is made and entered into on the Effective Date, by and between Winnie Couture Franchising ("**WCF**") and the Franchisee identified on the Summary Pages to this Agreement ("**Summary Pages**").

BACKGROUND

A. WCF has developed and owns a proprietary business format and system ("**System**") for operating bridal salons offering designer WINNIE CHLOMIN® and WINNIE COUTURE® bridal gowns, red carpet ~~event~~style and special occasion gowns, and headpieces and veils, shoes and accessories (the "**Bridal Salon**" or "**Salon**").

B. The System includes a distinct interior and exterior design, décor, color scheme, graphics, fixtures and furnishings, operating and customer service standards and procedures, advertising and marketing specifications and requirements, and other standards, specifications, techniques and procedures that WCF designates (collectively, the "**Standards**").

C. The System is identified by a distinctive trade dress, the trade name and service mark "WINNIE COUTURE®" and logo, and other trademarks, service marks, logos, tag lines, slogans and other indicia of origin that WCF designates to identify bridal salons operating under the System (collectively, the "**Marks**").

D. You have applied for the right to operate a Salon using the System and Marks (the "**Franchised Business**"), and WCF has approved your application in reliance on the representations contained therein, including those concerning your financial resources, your business experience and interests, and the manner in which the Salon will be owned and operated.

AGREEMENT

In consideration of the mutual premises contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. GRANT OF FRANCHISE, TERRITORIAL PROTECTION

A. Grant.

Subject to the provisions of this Agreement, WCF hereby grants you the nonexclusive right ("**Franchise**") to continuously operate a WINNIE COUTURE® Salon at the Approved Location identified (or to be identified) in Attachment B and to use the Marks in the operation of the Franchised Business. You hereby undertake the obligation and agree to operate the Franchised Business strictly according to the terms and conditions of this Agreement. This Agreement grants you the right to exhibit and sell authorized products and services and to conduct in-store events only ~~from~~at the Salon location. You may not sell goods or services at any other location or through alternative channels of distribution, including social media, the Internet, phone order, mail order, or at bridal shows.

B. Designated Area.

During the initial term and all renewal terms, and provided that you are in full compliance with this Agreement and all other agreements between you and WCF, WCF shall neither operate nor grant others the right to operate another WINNIE COUTURE® Salon in the Designated Area or to distribute its Collections and Accessories through Authorized Retailers in the Designated Area. WCF retains for itself all other rights including, without limitation, the right to engage in the following activities regardless of the economic effect or adverse impact that the activity may have on the Franchised Business: ***(1~~)~~*** ~~the right to sell and distribute its Collections and Accessories through Department Stores in the Designated Area;~~ ***~~(2~~)*** the right to sell and distribute its Collections and Accessories through all other wholesale and retail channels of distribution, including direct sales via mail order~~ and the Internet~~, in and outside the

Designated Area; *(~~3~~2)* the right to participate in bridal shows, fashion shows and other promotional events both in and outside the Designated Area; and *(~~4~~3)* the right to offer, grant and support franchises in similar and different lines of business under any proprietary marks other than the Marks.

2. TERM AND RENEWAL

A. Initial Term.

The initial term of this Agreement ("**Initial Term**") shall begin on the Effective Date and shall expire on the Expiration Date, unless this Agreement is terminated at an earlier date pursuant to Section 18.

B. Renewal Term.

At the expiration of the Initial Term, you will have an option to remain a franchisee at the Approved Location for two additional five-year renewal terms. You must give WCF written notice of whether or not you intend to exercise your renewal option no less than eight months, nor more than 12 months, before expiration of the then-current term. Failure to timely provide the required written notice constitutes a waiver of your option to remain a franchisee beyond the expiration of the then-current term.

If you desire to exercise your renewal options, described above, you must comply with all of the following conditions prior to and at the end of the then-current term:

(1) You may not be in default under this Agreement or any other agreement between you and WCF or its Affiliates; you may not be in default beyond the applicable cure period of any real estate lease, equipment lease or financing instrument relating to the Franchised Business or Salon; you may not be in default beyond the applicable cure period with any vendor or supplier to the Franchised Business or Salon; and, for the 12 months before the date of your notice and the 12 months before the expiration of the then-current term, you may not have been in default beyond the applicable cure period under this Agreement or any other agreements between you and WCF or its Affiliates.

(2) You must renovate and upgrade the Salon premises and all fixtures, furniture, equipment, signage and graphics, at your expense, to reflect the then-current image of WCF Own Salons, which renovations may include structural changes, remodeling, redecoration and modifications to existing improvements.

(3) You and your employees must be in compliance with WCF then-current training requirements.

(4) You must have the right to remain in possession of the Salon premises, or have secured other premises acceptable to WCF, for the renewal term and all monetary obligations owed to your landlord, if any, must be current.

(5) You, and all individuals who have executed this Agreement and all guarantors of your obligations under this Agreement shall have executed a general release and a covenant not to sue, in a form satisfactory to WCF, of any and all claims against WCF and its Affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacity, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, and claims arising out of, or relating to, this Agreement, any other agreements between you and WCF or its Affiliates and your operation of the Franchised Business and Salon and the offer and grant of the WINNIE COUTURE® Salon franchise opportunity. Any release signed pursuant to this paragraph will not be inconsistent with any state law regulating franchising.

(6) As determined by WCF in its sole discretion, you have operated the Franchised Business and the Salon in accordance with this Agreement and with the System (as set forth in the Manual or otherwise and as revised from time to time by WCF) and that you have operated any other WINNIE

COUTURE® Salon franchises in which you have an interest in accordance with the applicable franchise agreement and with the System.

Within four months after WCF's receipt of written notice of your desire to renew, WCF shall advise you whether or not you are entitled to remain a franchisee for the renewal term. If WCF intends to permit you to remain a franchisee for the renewal term, WCF's notice will contain preliminary information regarding the required renovations and modernizations described in subsection (2), above. If WCF does not intend to permit you to remain a franchisee for the renewal term, WCF's notice shall specify the reasons for non-renewal. If WCF chooses not to permit you to remain a franchisee for the renewal term, it shall have the right to unilaterally extend the then-current term of this Agreement as necessary to comply with applicable laws.

If you will remain a franchisee for the renewal term, WCF will deliver to you, for execution, a new franchise agreement at least one month prior to the expiration of the then-current term. The form of renewal agreement shall be the form then in general use by WCF for new Salons (or, if WCF is not then granting franchises for Salons, that form of agreement as specified by WCF) and likely will differ from this Agreement and may reflect, among other things, different royalty fee and advertising obligations.

You must execute the franchise agreement for the renewal term and return the signed agreement to WCF, along with the Renewal Fee in the amount reflected in the Summary Pages, prior to expiration of the then-current term. Failure to sign the franchise agreement and to return it to WCF (along with payment of the Renewal Fee) within this time shall be deemed your election not to renew the franchise and shall result in termination of this Agreement and the franchise granted by this Agreement at the expiration of the then-current term. Provided you have timely complied with all of the conditions set forth in this Section 2, WCF shall execute the renewal franchise agreement and promptly return a fully executed copy to you.

3. DEVELOPMENT PROCEDURES

A. Site Selection.

You must identify and acquire a site for the Salon within 120 days after the Effective Date of this Agreement. The site must be located within the Site Selection Area identified in the Attachment B, must meet WCF Standards for Salon size and location, and must otherwise be mutually acceptable to you and to WCF. Once a site identified, the parties will mutually agree on an opening date ("**Scheduled Opening Date**"), which will be no later than 180 days from the date you take possession of the site, and the Summary Pages will be amended to reflect the Scheduled Opening Date.

B. Franchise Site Application.

For each proposed site that you identify, you must submit to WCF a Franchise Site Application including such information about the site as WCF may reasonably request to perform its evaluation. This information may include, among other things, a description of the proposed site, demographic characteristics, traffic patterns, parking, character of the neighborhood, competition from other businesses in the area, the proximity to other businesses, the nature of other businesses in proximity to the site and other commercial characteristics (including the purchase price, rental obligations and other lease terms for the proposed site) and the size, appearance, co-tenants, photographs of interior, other physical characteristics and a site plan of the premises. WCF will accept or refuse to accept a proposed site within 30 days after the receipt of these documents and any additional information as WCF may reasonably require. WCF's failure to provide notification within this time period shall not be considered acceptance.

The parties acknowledge and agree that WCF's site acceptance is not an assurance that the Salon will achieve a certain sales volume or level of profitability; it means only that the proposed site meets WCF minimum criteria for Salons. WCF assumes no liability or responsibility for: *(1)* evaluation of the Salon Location's soil for hazardous substances; *(2)* inspection of any structure on

the Salon location for asbestos or other toxic or hazardous materials; *(3)* compliance with the Americans With Disabilities Act ("ADA"); or *(4)* compliance with any other applicable law. It is your sole responsibility to obtain satisfactory evidence and/or assurances that the Salon location (and any structures thereon) is free from environmental contamination and is in compliance with the requirements of the ADA and other applicable laws.

C. Lease Terms.

If you propose to lease or sublease the Salon location pursuant to a lease, the lease or sublease may not prevent you from performing your obligations under the Franchise Agreement. Unless waived in writing by WCF, any lease, sublease, letter of intent or lease memorandum for the Salon location shall contain provisions that satisfy the following requirements during the entire term of the lease, including any renewal terms:

(1) The landlord consents to your use of the proprietary signs, distinctive exterior and interior designs and layouts, the Marks prescribed by WCF, and upon termination or the earlier expiration of the lease, consent to permit you, at your expense, to remove all such items and other trade fixtures, so long as you make repairs to the building caused by such removal.

(2) The landlord agrees to provide WCF (at the same time sent to you) a copy of all amendments and assignments and notices of default pertaining to the lease and the leased premises.

(3) WCF shall have the right to enter the leased premises to make any modifications or alterations necessary to protect the System and the Marks and to cure, within the time periods provided by the lease, any default under the lease, all without being guilty of trespass or other tort and to charge you for these costs.

(4) The landlord agrees that you shall be solely responsible for all obligations, debts and payments under the lease.

(5) The landlord agrees that, following the termination or earlier expiration of this Agreement, you shall have the right to make those alterations and modifications to the premises as may be necessary to clearly distinguish to the public the premises from a WINNIE COUTURE® Salon and also make those specific additional changes as WCF reasonably may request for that purpose. The landlord also agrees that, if you fail to promptly make these alterations and modifications, WCF shall have the right to do so without being guilty of trespass or other tort so long as WCF makes repairs to the building caused by such removal.

(6) The landlord agrees not to amend or otherwise modify the lease in any manner that would affect any of the foregoing requirements without WCF's prior written consent, which consent shall not be unreasonably withheld.

(7) You may assign the lease to WCF or its designee with the landlord's consent (which consent will not unreasonably be withheld) and without payment of any assignment fee or similar charge or increase in any rentals payable to the landlord.

(8) The landlord agrees to consent to your collaterally assigning the lease to WCF or its designee, granting WCF the option, but not the obligation, to assume the lease from the date WCF takes possession of the leased premises, without payment of any assignment fee or similar charge or increase in any rentals payable to the landlord.

You must submit a copy of the proposed lease to WCF before signing it, and WCF will approve or refuse to approve the lease within 14 days after receiving it. WCF failure to provide notification within this time period shall not be considered either approval or disapproval. You must provide to WCF a copy of the fully executed lease and all lease riders and addenda within five business days after the lease is signed by all parties.

The parties acknowledge and agree that WCF acceptance of a lease does not mean that the economic terms of the lease are favorable; it means only that the lease contains the lease terms that WCF requires.

D. Relocation.

You may relocate the Salon within the Designated Area, only with WCF's prior written consent. WCF will grant its consent if your lease expires or terminates through no fault of yours, or if the Salon premises is destroyed or materially damaged by fire, flood or other natural catastrophe (an "**Innocent Loss or Casualty**") and you are not in default of this Agreement or any other agreement between you and WCF. Selection of the relocation site and Salon construction, renovation and opening shall be governed by Sections 3, 4 and 5 of this Agreement; provided that if the relocation occurred as a result of the loss of an Innocent Loss or Casualty, the Salon must be open for business at the new location within 180 days of closing at the previous location and if the relocation occurred for any other reason, the Salon must be open for business at the new location with five days of closing at the previous location. You are solely responsible for all relocation costs and expenses.

4. SALON DRAWINGS, CONSTRUCTION AND RENOVATION

A. Specifications and Drawings.

You assume all cost, liability and expense for developing, constructing and equipping the Salon. WCF will furnish to you sample drawings and specifications for a WINNIE COUTURE® Salon, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, storefront and color schemes. It is your responsibility to have prepared all required construction plans and specifications to suit the shape and dimensions of the Salon and you must ensure that these plans and specifications comply with applicable ordinances, building codes and permit requirements and with lease requirements and restrictions. You shall use only registered architects, registered engineers, and professional and licensed contractors.

Based on the sample drawings and specification furnished to you by WCF, you shall submit proposed construction plans, specifications and drawings for the Salon ("**Plans**") to WCF and shall, upon WCF's request, submit all revised or "as built" Plans during the course of such construction. WCF will approve or refuse to approve the Plans and notify you within 30 days after WCF receives the Plans. Once WCF has approved the Plans, no substantial change shall be made to the Plans without WCF's prior written approval, which shall not unreasonably be withheld. WCF shall approve or disapprove Plan changes within 10 business days after receipt.

You may not begin site preparation or construction before WCF has approved the Plans. All construction must be in accordance with Plans approved by WCF and must comply in all respects with the Standards and with applicable laws, ordinances, local rules and regulations.

B. Commencement and Completion of Construction and Build Out.

Construction shall be performed or supervised by a general contractor or construction manager of your choice, subject to the requirements of 4.A., above. Once construction has commenced, it shall continue uninterrupted (except for interruption by reason of events constituting Force Majeure until completed. "**Force Majeure**" means any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government or other third party and any other cause not within the control of the party affected thereby. If events constituting Force Majeure cause a delay in the commencement of the construction or build out of the Salon, WCF shall proportionately extend the Scheduled Opening Date for the Salon. Notwithstanding the occurrence of any events, except events constituting Force Majeure, construction shall be completed and the Salon shall be furnished, equipped and shall otherwise be ready to open for business in accordance with this Agreement no later than the Scheduled Opening Date specified in Attachment B ("**Scheduled Opening Date**").

You agree, at your sole expense, to do or cause to be done the following, by the Scheduled Opening Date:

(1) Obtain and maintain all required building, utility, sign, health, sanitation, business and other permits and licenses applicable to the Franchised Business.

(2) Make all required improvements to the Salon location and decorate the exterior and interior of the Salon in compliance with the Plans approved by WCF.

(3) Purchase or lease and install all specified and required fixtures, equipment, furnishings and interior and exterior signs required for the Salon.

(4) Purchase an opening inventory for the Salon of only authorized and approved products and other materials and supplies.

C. Acquisition of Necessary Furnishings, Fixtures and Equipment.

You agree to use in the development and operation of the Salon only the fixtures, furnishings, equipment and signs that WCF has approved for WINNIE COUTURE® Salons as meeting its specifications and Standards for quality, design, appearance, function and performance. You further agree to place or display at the Salon location (interior and exterior) only those signs, emblems, lettering, logos and display materials that WCF approved in writing from time to time.

You shall purchase or lease approved brands, types or models of fixtures, furnishings, equipment and signs only from suppliers designated or approved by WCF, which may include WCF. If you propose to purchase, lease or otherwise use any fixtures, furnishings, equipment or signs which have not been approved by WCF, you shall first notify WCF in writing and shall, at your sole expense, submit to WCF upon its request sufficient specifications, photographs, drawings and/or other information or samples for a determination as to whether those fixtures, furnishings, equipment and/or signs comply with WCF specifications and Standards. WCF will, in its sole discretion, approve or disapprove the items and notify you within 30 days after WCF receives the request.

You must purchase from WCF, its Affiliates or Designated Suppliers the Custom Décor Package (which includes, among other items, seating, furniture, flooring, chandeliers, custom hangers, custom mannequins, custom garment bags, custom veil bags, display cases, mirrors, custom wall posters (both with frames and without), custom up-right standing foam poster, and all light fixtures (including track lighting) and accessories, signage, photographs, stand-up banners and posters, and an initial inventory of postcards and other promotional items).

D. Inspection, Cooperation.

During the course of construction and/or renovation, you shall (and shall cause your architect, engineer, contractors and subcontractors to) cooperate fully with WCF and its designees for the purpose of permitting WCF and its designees to inspect the Salon location and the course of construction or renovation in order to determine whether construction or renovation is proceeding according to the Plans as well as for the purpose of submitting to WCF periodic construction reports as requested by WCF.

E. Final Inspection and Scheduled Opening Date.

You shall notify WCF in writing at least 10 days prior to the date you expect construction and/or renovation to be completed and a certificate of occupancy to be issued. If requested by WCF, you shall submit a copy of the certificate of occupancy to WCF. WCF reserves the right, after receiving your notice, to conduct a final inspection of the Salon and its premises to determine your compliance with this Agreement. You shall not open the Salon for business unless you have satisfied the conditions set forth in Section 5, below.

5. SALON OPENING

WCF will not authorize the opening of the Salon unless all of the following conditions have been met:

(1) You are not in material default under this Agreement or any other agreements with WCF; you are not in default beyond the applicable cure period under any real estate lease, equipment lease or financing instrument relating to the Salon; and you are not in default beyond the applicable cure period with any vendor or supplier of the Salon.

(2) You are current on all obligations due WCF and its Affiliates.

(3) WCF is satisfied that the Salon was constructed and/or renovated substantially in accordance with the Plans approved by WCF and applicable federal, state and local laws, regulations and codes.

(4) If the Salon location is leased, WCF has received a copy of the fully executed lease.

(5) You have obtained a certificate of occupancy and any other required health, safety or fire department certificates.

(6) You have certified to WCF in writing that the installation of all items of furnishings fixtures, equipment, signs, computer terminals and related equipment, supplies and other items has been accomplished.

(7) An adequate number of your employees as designated by WCF in its sole discretion have attended and successfully completed WCF initial training program.

(8) WCF has determined that the Salon has been constructed and/or renovated and equipped substantially in accordance with the requirements of this Agreement and that you have hired and trained personnel in accordance with the requirements of this Agreement.

(9) WCF has been furnished copies of all insurance policies required by Section 16, and all such insurance is in full force and effect.

(10) WCF has been furnished with waivers of all materialmen's liens connected with the construction and opening of the Salon.

6. FEES

A. Initial Franchise Fee.

You have paid WCF an Initial Franchise Fee in the amount specified in the Summary Pages. You acknowledge and agree that the Initial Franchise Fee is fully earned by WCF when paid and is not refundable.

B. Royalty Fee.

In addition to all other amounts to be paid to WCF, you shall pay to WCF a nonrefundable and continuing Royalty Fee in the amount specified in the Summary Pages for the right to use the System and the Marks at the Salon location and in connection with the Franchised Business. If any taxes, fees or assessments are imposed on Royalty Fee payments by reason of its acting as franchisor or licensing the Marks under this Agreement, you shall reimburse WCF the amount of those taxes, fees or assessments within 30 days after receipt of an invoice from WCF.

C. Brand Development Fee.

You must pay to us a Brand Development Fee equal to the amount set forth in the Summary Pages. In consideration for the Brand Development Fee, we will provide such advertising, marketing, and promotional services as we deem appropriate.

D. Payment of Fees.

You must participate in WCF then-current electronic funds transfer program authorizing WCF to utilize a pre-authorized bank draft system. All Royalty Fees and other amounts owed under this Agreement, including advertising fees and interest charges must be received by WCF or credited to WCF account by pre-authorized bank debit before 5:00 p.m. on the date such payment is due (the "**Due Date**"). On each Due Date, WCF will transfer from your commercial bank operating account ("**Account**") the amount reported to WCF by you or as determined by WCF by the records contained in the cash registers/computer terminals of the Salon. If you have not reported to WCF Gross Sales for any reporting period, WCF will transfer from the Account an amount calculated in accordance with its estimate of the Salon's Gross Sales during the reporting period which estimate may be based on, among other things, historical financial performance of the Salon and/or current and historical performance of other WINNIE COUTURE® Salons. If, at any time, WCF determines that you have underreported the Gross Sales of the Salon, or underpaid the Royalty Fee or other amounts due to WCF under this Agreement, or any other agreement, WCF shall initiate an immediate transfer from the Account in the appropriate amount in accordance with the foregoing procedure, including interest as provided in this Agreement. Any overpayment will be credited against future Royalty Fees and other payments due under this Agreement.

In connection with the payment of Royalty Fees by electronic funds transfer, you shall: ***(1)*** comply with procedures specified by WCF in the Manual or otherwise in writing; ***(2)*** perform those acts and sign and deliver those documents as may be necessary to accomplish payment by electronic funds transfer as described in this Section 6.D.; ***(3)*** give WCF an authorization in the form designated by WCF to initiate debit entries and/or credit correction entries to the Account for payments of the Royalty Fee and other amounts payable under this Agreement, including any interest charges; and ***(4)*** make sufficient funds available in the Account for withdrawal by electronic funds transfer no later than the Due Date for payment thereof.

Notwithstanding the provisions of this Section 6.D., WCF reserves the right to modify, at its option, the method by which you pay the Royalty Fee and other amounts owed under this Agreement, including advertising fees and interest charges, upon receipt of written notice by WCF.

Your failure to have sufficient funds in the Account shall constitute a default of this Agreement pursuant to Section 18. You shall not be entitled to set off, deduct or otherwise withhold any Royalty Fees, advertising contributions, interest charges or other monies payable to WCF under this Agreement on grounds of any alleged nonperformance by WCF of any of its obligations or for any other reason.

E. Interest.

Any payments not received by WCF by the Due Date will accrue interest at the rate of 18% per annum or the highest lawful interest rate permitted by the jurisdiction in which the Salon operates, whichever is less.

F. Partial Payments.

No payment by you or acceptance by WCF of any monies under this Agreement for a lesser amount than due shall be treated as anything other than a partial payment on account. Your payments of a lesser amount than due with an endorsement, statement or accompanying letter to the effect that payment of the lesser amount constitutes full payment shall be given no effect and WCF may accept the partial payments without prejudice to any rights or remedies it may have against you. Acceptance of payments by WCF other than as set forth in this Agreement or a waiver by WCF of any other remedies or rights available to it pursuant to this Agreement shall not constitute a waiver of WCF right to demand payment in accordance with the requirements of this Agreement or a waiver by WCF of any other remedies or rights available to it pursuant to this Agreement or under applicable law. Notwithstanding any designation by you, WCF shall have the sole discretion to apply any payments by you to any of your past due indebtedness for Royalty Fees, Brand Development Fees, purchases from WCF or its Affiliates, interest or any other indebtedness. WCF has the right to accept payment from any other entity as payment by you. Acceptance of that payment by WCF will not result in that other entity being substituted as franchisee under this Agreement.

G. Collection Costs and Expenses.

You agree to pay WCF on demand any and all costs and expenses incurred by WCF in enforcing the terms of this Agreement including, without limitation, collecting any monies that you owe to WCF. These costs and expenses include, without limitation, costs and commissions due a collection agency, reasonable attorneys' fees, costs incurred in creating or replicating reports demonstrating Gross Sales of the Salon, court costs, expert witness fees, discovery costs and reasonable attorneys' fees and costs on appeal, together with interest charges on all of the foregoing.

H. Taxes and Fees.

You are responsible for all taxes, assessments, and government charges imposed on you for any business activities under this Agreement. All payments by you to us under this Agreement will be made without set-off or deduction, except for taxes or fees required to be deducted or withheld by taxing authorities. If you fail to deduct or withhold these taxes or fees, unless requested or instructed by us not to, you will indemnify us for the full amount of the taxes or fees and for any loss (including penalties, interest, and expenses) caused by your failure to deduct or withhold taxes or fees. Also as part of the Royalty Fees and Brand Development Fees, you will pay any taxes imposed on us or our affiliates by federal, state, or local taxing authorities for our acceptance of such fees. This does not including any taxes measured on our income.

7. RECORDKEEPING AND REPORTS

A. Recordkeeping.

You agree to use computerized cash and data capture and retrieval systems that meet WCF specifications and to record Salon sales electronically or on tape for all sales at or from the Salon premises. You shall keep and maintain, in accordance with any procedures set forth in the Manual, complete and accurate books and records pertaining to the Franchised Business sufficient to fully report to WCF. Your books and records shall be kept and maintained using charts of account meeting WCF's standards and specifications and generally accepted accounting principles ("**GAAP**"). You shall preserve all of your books, records and state and federal tax returns for at least five years after the later of preparation or filing (or such longer period as may be required by any governmental entity) and make them available and provide duplicate copies to WCF within five days after WCF written request.

B. Periodic Reports.

You shall, at your expense, submit to WCF, in the form prescribed by WCF, a monthly profit and loss statement and balance sheet (both of which may be unaudited) within 10 days after the end of each calendar month. WCF shall have the right, to be exercised in its sole discretion, to require that you provide WCF profit and loss statements and balance sheets at other times requested by WCF. Each statement and balance sheet shall be signed by you or by your treasurer or chief financial officer attesting that it is true, correct and complete and uses accounting principles applied on a consistent basis which accurately and completely reflects the financial condition of the Franchised Business.

C. Annual Reports.

You shall, at your expense, provide to WCF a profit and loss statement and balance sheet reviewed by a certified public accountant within 60 days after your fiscal year end. The statement and balance sheet shall be signed by your or by your treasurer or chief financial officer attesting that the financial statements present fairly the financial position and the results of operations of the Franchised Business during the period covered. WCF shall have the right, in its reasonable discretion, to require that you, at your expense, submit audited financial statements prepared by a certified public accounting firm acceptable to WCF for any fiscal year or any period or periods of a fiscal year.

D. Other Reports; Tax Returns.

You shall submit to WCF, for review or auditing, such other forms, reports, records, information and data as WCF may reasonably designate, in the form and at times and places reasonably required by WCF, upon request and as specified from time to time in the Manual or otherwise in writing. Such additional records may include your annual tax returns as well as any period sales tax reports and other tax documentation WCF may request.

E. Audit Rights.

WCF or its designee shall have the right at all reasonable times, both during and after the term of this Agreement, to inspect, copy and audit your books, records, and federal, state and local tax returns, and such other forms, reports, information and data as WCF reasonably may designate, applicable to the operation of the Franchised Business. If an inspection or audit discloses an understatement of Gross Sales, you shall pay WCF, within 10 days after receipt of the inspection or audit report, the deficiency in the Royalty Fees and advertising contributions plus interest (at the rate and on the terms provided in Section 6.E from the date originally due until the date of payment. If an inspection or audit is made necessary by your failure to furnish reports or supporting records as required under this Agreement, or to furnish such reports, records or information on a timely basis, or if an understatement of Gross Sales for the period of any inspection or audit is determined to be greater than 2%, you also shall reimburse WCF for the reasonable cost of the inspection or audit including, without limitation, the charges of attorneys and independent accountants, and the travel expenses, room, board and compensation of WCF employees or designees involved in the inspection or audit. The foregoing remedies shall be in addition to all other remedies and rights available to WCF under this Agreement and applicable law.

8. TRAINING, CERTIFICATION AND ASSISTANCE

A. Initial Training.

WCF will provide an initial training program at its headquarters or such other location as WCF may designate, and will admit two individuals, including your Salon Manager. Your Salon Manager must attend and successfully complete the initial training program before the Salon may open for business. There is no charge for the first two individuals to attend the initial training program. At your request, WCF may permit additional individuals to attend the same training program, subject to space availability and payment of a reasonable tuition. Your Salon Manager and other Salon personnel shall attend and successfully complete all other courses and programs that WCF requires from time to time. WCF may charge a reasonable tuition for all courses and programs that it provides. Your Salon Manager shall be responsible for training your employees in all aspects of Salon operations including customer service, measuring and order placement. You are responsible for all costs and expenses of complying with WCF training requirements including, without limitation, tuition and registration costs and salary, travel, lodging and dining costs for all employees who participate in the training.

B. Pre-Opening Assistance.

WCF shall provide consultation and advice to you, as WCF deems appropriate, with regard to the development and operation of the Salon, building layout, furnishings, fixtures and equipment plans and specifications, employee recruiting, selection and training, purchasing and inventory control, and such other matters as WCF deems appropriate.

~~WFC~~WCF will also provide you with one trainer for up to five days of on-site opening assistance within the first month the Salon opens for business, typically to assist with the Salon's first bridal show or grand opening, however the timing of such assistance will be at the discretion of ~~WFC~~WCF.

C. Ongoing Assistance.

WCF periodically, as it deems appropriate, shall advise and consult with you in connection with the operation of the Franchise Business. WCF, as it deems appropriate, shall provide to you its knowledge and expertise regarding the System and pertinent new developments, techniques and improvements in the areas of bridal fashions and salons, sales promotion, service concepts and other areas. WCF may provide these services through on-site visits by WCF representatives to the Salon, the distribution of printed or filmed material or electronic information, meetings or seminars, telephone communications, email communications or other communications.

D. Additional Training. From time to time WCF may provide additional required training. If WCF does, WCF may require that previously-trained and experienced Owners, managers, and other key personnel complete refresher or new training or seminars to be conducted at such location as may be designated by WCF. WCF's annual convention will also be deemed mandatory additional training. WCF may charge you a reasonable training fee for each individual attending the additional training program, and you are responsible for any expenses involved in your attendees' attendance of and participation in such further training including, for example, any applicable travel, living, and food expenses, and wages. You acknowledge and agree that any consultation and/or advice that WCF provides to you will not relieve you of your responsibilities to comply with all applicable laws, rules, and regulations with respect to your operation of the Salon and that you will seek the advice of local counsel where necessary.

9. MANUAL

WCF will provide you on loan a copy of its confidential and proprietary Manual which contains information and knowledge that is necessary and material to the System. (As used in this Agreement, the term "**Manual**" also includes other publications, materials, drawings, memoranda, videotapes, CDs, DVDs, MP3s and other electronic media that WCF from time to time may loan to you.) The Manual may be supplemented or amended from time to time by letter, electronic mail, bulletin, videotape, CD, DVD, MP3 or other communications concerning the System to reflect changes in the image, specifications and standards relating to developing, equipping, furnishing and operating a WINNIE COUTURE® Salon. You shall keep your copy of the Manual current and up to date with all additions and deletions provided by or on behalf of WCF and shall purchase whatever equipment and related services (including, without limitation, a video cassette recorder, CD/DVD player and/or MP3 player, computer system, internet service, dedicated phone line, facsimile machine, surveillance equipment, etc.) as may be necessary to receive these communications. If a dispute relating to the contents of the Manual develops, the master copy maintained by WCF shall control.

The Manual contains detailed standards, specifications, instructions, requirements, methods and procedures for management and operation of the Franchised Business, including the Salon. The Manual also may contain information relating to customer service procedures; specifications as to services offered by the Salon; methods relating to the fitting of Collections and Accessories sold at the Salon; management and employee training; marketing, advertising and sales promotions; maintenance and repair of the Salon premises; employee dress attire and appearance standards; and accounting, bookkeeping, records retention and other business systems, procedures and operations. You agree at all times to operate the Franchised Business, including the Salon, in strict conformity with the Manual, to maintain the Manual at the Salon, to not reproduce the Manual or any part of it, and to treat the Manual as confidential and proprietary; and to disclose the contents of the Manual only to those employees who have a need to know.

Upon termination or expiration of this Agreement, you shall immediately return the Manual without retaining any copies thereof.

10. MODIFICATIONS OF THE SYSTEM

WCF, in its sole discretion, shall be entitled from time to time to change or modify the System, including, without limitation, modifications to the Manual, the required equipment, the signage, the building and premises of the Salon (including the trade dress, décor and color schemes), the presentation of the Marks, the design and mix of Collections and Accessories, the adoption of new administrative forms and methods of report and of payment of any monies owed by WCF (including electronic means of reporting and payment) and the adoption and use of new or modified Marks or copyrighted materials. You shall accept and use or display at the Salon any such changes or modifications in the System as if they were a part of the System at the time this Agreement was executed, and you shall make such expenditures as the changes or modifications in the System require.

Within 10 days after receipt of written notice from WCF, you shall begin selling any newly authorized Collections or items and cease selling any Collections or items that are no longer authorized. WCF shall have the right to establish minimum and maximum retail prices to the greatest extent permitted by law.

If you develop any new concepts, processes or improvements relating to the System, whether or not pursuant to a WCF authorized test, you promptly shall notify WCF and provide WCF with all information regarding the new concept, process or improvement, all of which shall become the property of WCF and its Affiliates and which may be incorporated into the System without any payment to you. You, at your expense, promptly shall take all actions deemed necessary or desirable by WCF to vest in WCF ownership of such concepts, processes or improvements.

11. PERFORMANCE REQUIREMENTS

A. Best Efforts.

Your Salon Manager must use full time and best efforts in the operation of the Franchised Business, and must personally supervise the day-to-day operation of the Salon.

B. Standards, Specifications and Procedures.

You acknowledge that each and every detail of the appearance, layout, décor, services and operation of the Salon is important to WCF and the other WINNIE COUTURE® Salons. You agree to cooperate with WCF by maintaining these standards in the operation of the Salon. You further agree to comply with all System specifications, standards and operating procedures (whether contained in the Manual or any other written communication) relating to the appearance, function, cleanliness and operation of a WINNIE COUTURE® Salon including, without limitation ***(1)*** sales and marketing procedures and customer service; ***(2)*** advertising and promotional programs; ***(3)*** layout, décor and color scheme of the Salon; ***(4)*** appearance and dress of employees; ***(5)*** safety, maintenance, appearance, cleanliness, sanitation, standards of service, and operation of the Salon; ***(6)*** submission of requests for approval of brands of products, supplies and suppliers; ***(7)*** use and illumination of signs, posters, displays, standard formats and similar items; ***(8)*** use of audio equipment and type and decibel levels of music; ***(9)*** use of video equipment and type and decibel level of television broadcasts (including closed captioning requirements); and ***(10)*** types of fixtures, furnishings, equipment, small wares and packaging. Mandatory specifications, standards and operating procedures, including upgraded or additional equipment, that WCF prescribes from time to time in the Manual or otherwise communicates to you shall constitute provisions of this Agreement as if fully set forth in this Agreement.

C. Approved Products, Distributors and Suppliers.

You agree that you will purchase only from manufacturers, distributors, and suppliers approved by WCF (collectively, "**Approved Suppliers**") all Collections and Accessories, advertising and promotional materials, furniture, fixtures, equipment, supplies and stationery that meet WCF standards and specifications, as promulgated from time to time including any other items or services designated or identified by WCF in connection with the operation of the Salon. WCF has the right to require that you use only certain brands of products and materials ("**Approved Brands**"), and to the extent that Approved Brands have been identified, you may purchase and use only the Approved Brands. WCF may from time to time modify the list of Approved Suppliers and/or Approved Brands. You shall promptly comply with all such modifications.

WCF may approve one or more suppliers for any goods or materials and may approve a supplier only as to certain goods or materials. WCF may concentrate purchases with one or more suppliers to obtain lower prices and/or the best advertising support, and/or product consistency, and/or services for any group of WINNIE COUTURE® Salons or any other group of Salons franchised or operated by WCF or its Affiliates. Approval of a supplier may be conditioned on requirements relating to the frequency of delivery, reporting capabilities, standards of service, including prompt attention to complaints, or other criteria, and concentration of purchases, as set forth above, and may be temporary pending a further evaluation of such supplier by WCF. WCF may establish distribution facilities owned and operated by WCF or an affiliate that WCF may designate as an approved supplier.

If you propose to purchase any goods or materials (that you are not required to purchase from WCF, an Affiliate of WCF or a designated supplier) from a supplier that WCF has not previously approved, you shall submit to WCF a written request for such approval, or shall request the supplier to submit a written request on its own behalf. WCF has the right to require, as a condition of its approval, that its representatives be permitted to inspect the supplier's facilities, and that such information, specifications and samples as WCF reasonably be delivered to WCF prior to granting approval. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test shall be paid by you. WCF will notify you within 60 days of your request as to whether you are authorized to purchase such products from that supplier. WCF reserves the right, at its option, to re-inspect the facilities and products of any such approved supplier and to revoke its approval of any supplier upon the suppliers' failure to meet WCF criteria for quality and reliability.

You shall at all times maintain an inventory of approved Collections and Accessories sufficient in quality and variety to realize the full potential of the Salon and meet consumer demand and expectation. WCF may, from time to time, conduct market research and testing to determine consumer trends and the salability of new Collections and Accessories. You agree to cooperate in these efforts by participating in the WCF customer surveys and market research programs if requested by WCF. All customer surveys and market research programs will be at WCF's sole cost and expense, unless you have volunteered to participate in the survey or market research and to share your proportionate cost. You shall not have the right to test any new product or service without WCF prior written consent.

D. Authorized Products and Services.

You shall cause the Salon to offer and sell all authorized Collections, Accessories and services that WCF requires, and only such authorized Collections, Accessories and services that WCF approves for sale by WINNIE COUTURE® Salons. WCF has the right to add, modify and discontinue authorized Collections and Accessories at any time, in its sole discretion. The Salon shall begin offering for sale additional or modified products, and cease offering discontinued products, within 10 days of the date you receive written notice of the addition, modification or discontinuance. All products or services offered for sale in connection with the Franchised Business shall be meet WCF's Standards.

E. Computer Systems and Intranet/Extranet Systems.

You shall acquire and use all cash registers and computer hardware and related accessories and peripheral equipment (collectively, "**Computer Systems**") that WCF prescribes for use by Salons, and may not use any cash registers or computer hardware, accessories or peripheral equipment that WCF has not approved for use by WINNIE COUTURE® Salons. Requirements may include, among other things, connection to remote servers, off-site electronic repositories, and high speed Internet connections.

You shall: ***(1)*** use any proprietary software programs, system documentation manuals and other proprietary materials provided to you by WCF in connection with the operation of the Franchised Business; ***(2)*** input and maintain in your computer such data and information as WCF prescribes in the Manual, software programs, documentation or otherwise; and ***(3)*** purchase new or upgraded software programs, system documentation manuals and other proprietary materials at then-current prices whenever WCF adopts such new or upgraded programs, manuals and materials system-wide. You shall enter into all software license agreements, "terms of use" agreements and software maintenance agreements, in the form and manner WCF prescribes, and pay all fees charged by third party software and software service providers thereunder.

You acknowledge that WCF may independently access from a remote location, at any time, all information input to, and compiled by, your Computer System or an off-site server, including information concerning Gross Sales.

You acknowledge that technology is ever changing and that, as technology or software is developed in the future, WCF may, in its sole discretion, require you to: ***(1)*** add to your Computer System memory, ports and other accessories or peripheral equipment or additional, new or substitute software; ***(2)*** replace or upgrade your Computer System and software as WCF prescribes.

To ensure full operational efficiency, you agree to keep your Computer System in good maintenance and repair and to make additions, changes, modifications, substitutions and replacements to your computer hardware, accessories and peripherals, software, telephone and power lines, high speed Internet connections and other computer-related facilities as directed by WCF. Upon termination or expiration of this Agreement, all computer software, disks, tapes and other magnetic storage media shall be returned to WCF in good operating condition, excepting normal wear and tear.

WCF may, at its option, establish and maintain an intranet or extranet system through which members of the WINNIE COUTURE® Salon franchise network may communicate and through which WCF may disseminate updates to the Manual and other Confidential Information. WCF will have no obligation to establish or to maintain the intranet indefinitely, and may dismantle it at any time without liability to you. WCF may establish policies and procedures for the intranet's use. WCF expects to adopt and adhere to a reasonable privacy policy. However, you acknowledge that, as administrator of the intranet, WCF can technically access and view any communication that anyone posts on the intranet. You further acknowledge that the intranet facility and all communications that are posted to it will become WCF property, free of any claims of privacy or privilege that you or any other individual may assert. If you fail to pay when due any amount payable to WCF under this Agreement, or if you fail to comply with any policy or procedure governing the intranet, WCF may temporarily suspend your access to any chat room, bulletin board, listserv or similar feature the intranet includes until such time as you fully cure the breach.

F. Data Security and PCI Compliance.

The parties acknowledge and agree that protection of customer privacy and credit card information is necessary to protect the goodwill of businesses operating under the Marks and System. Accordingly you agree that you will cause the Salon to meet or exceed, at all times, all applicable security standards developed by the Payment Card Industry Standards Council or its successor and other regulations and industry standards applicable to the protection of customer privacy and credit card information. You are solely responsible for your own education as to these regulations and standards, and for achieving and maintaining applicable compliance certifications and standards. You will defend, indemnify, and hold us harmless from and against all claims arising out of or related to your violation of the provisions of this Section.

G. Non-Cash Payment Systems.

Within a reasonable period of time following WCF request, you shall accept debit cards, credit cards, or other non-cash systems specified by WCF to enable customers to purchase authorized products and you shall obtain all necessary hardware and/or software used in connection with these non-cash systems.

H. Loyalty Programs, Prize Promotions, and Promotional Literature

You shall participate in and offer to your customers: ***(1)*** all customer loyalty and reward programs; ***(2)*** all contests, sweepstakes and other prize promotions. WCF will communicate to you in writing the details of each such program and promotion, and you shall promptly display all point-of-sale advertising and promotion-related information at such places within the Salon as WCF may designate. You shall purchase and distribute all collateral merchandise (and only the collateral merchandise) designated by WCF for use in connection with each such program and promotion. You also shall display at the Salon all promotional literature and information as WCF may reasonably require from time to time.

I. WCF Inspections.

WCF or its designees shall have the right at any reasonable time and without prior notice to you to: ***(1)*** inspect the Salon premises; ***(2)*** observe, photograph and record the operation of the Salon for such consecutive or intermittent periods as WCF deems necessary ***(3)*** interview Salon personnel; ***(4)*** interview customers; and ***(5)*** inspect and copy any books, records and documents relating to the operation of the Franchised Business or, upon request of WCF or its designee, require you to send copies thereof to WCF or its designee. You shall present to your customers those evaluation forms as are periodically prescribed by WCF and shall participate and/or ask your customers to participate in any surveys performed by or on behalf of WCF as WCF may direct.

You agree to cooperate fully with WCF or its designee in connection with any such inspection, observations, recordings, product removal and interviews. You shall take all necessary steps to immediately correct any deficiencies detected during these inspections including, without limitation, ceasing further sales of unauthorized Collections and Accessories and ceasing further use of any equipment, advertising materials or supplies that do not conform to the standards and requirements promulgated by WCF from time to time. WCF shall have the right to develop and implement a grading system for inspections and, to the extent such a system is implemented, if the Salon fails to achieve a passing score on any inspection, WCF may require your Salon Manager and other Salon personnel to attend and participate in such additional training as WCF deems appropriate. If the Salon fails to achieve a passing score on any two consecutive inspections or if the Salons fail to achieve a passing score three or more times in any 12-month period, WCF may terminate this Agreement in accordance with Section 18.

J. Upkeep of the Salon.

You shall continuously operate the Salon and shall maintain in excellent condition (subject to normal wear and tear) and in good working order all furniture, fixtures, equipment, furnishings, floor coverings, interior and exterior signage, interior and exterior finishes, interior and exterior lighting, in accordance with the requirements of the System. You shall promptly and diligently perform all necessary maintenance, repairs and replacements to the Salon premises as WCF may prescribe from time to time including periodic interior painting and replacement of obsolete or worn out signage, floor coverings, furnishings, equipment and décor.

You agree that we may periodically add to, change, amend, modify, delete, enhance, combine, replace, substitute and/or discontinue all or any portion of the System as may be necessary in our sole judgment to maintain or enhance the reputation, efficiency, competitiveness and/or quality of the System, or to adapt to new conditions, materials or technology, or better serve the public. No such modification will alter your fundamental status and rights as a franchisee of a WINNIE COUTURE® Salon under this

Agreement. You agree to fully comply with all such additions, changes, amendments, modifications, deletions, enhancements, combinations, replacements, substitutions, and/or discontinuations, even though certain of such modifications ("Capital Modifications") may obligate you to invest additional capital in your Salon and/or incur higher operating costs. You agree that you will make any Capital Modifications required by this section that a majority of WINNIE COUTURE® Salons then operated by us or our Affiliate have made or are utilizing best efforts to make. We agree to give you 60 days (or such longer period as we may specify in writing) to comply with any Capital Modification we require. You are obligated to comply with all System modifications, other than Capital Modifications, within the time period we reasonably specify. You will not be required to spend more than $5,000 per year for Capital Modifications pursuant to this Section, provided that amounts that we do not require you to spend on Capital Modifications in any one year shall be carried forward to, and we may require you to spend those amounts in, subsequent years.

K. Salon Operations.

You shall cause the Salon to be open and operating on the days and during the hours that WCF designates, subject to applicable lease and/or local law or licensing limitations. You shall operate and maintain the Franchised Business in conformity with the highest ethical standards and sound business practices and in a manner which will enhance the goodwill associated with the Marks.

L. Management; Personnel and Customer Service.

You shall employ a sufficient number of qualified, competent individuals to satisfy the demand for products and services offered by the Franchised Business. You shall hire all employees of the Franchised Business, and be exclusively responsible for the terms of their employment and compensation, and for the proper training of such employees in the operation of the Salon, in human resources and customer relations. You shall employ only suitable individuals of good character and reputation who will at all times conduct themselves in a competent and courteous manner in accordance with the image and reputation of WCF and the System and, while on duty, each employee shall comply with the dress attire, personal appearance and hygiene standards set forth in the Manual. You shall use best efforts to ensure that your employees maintain a neat and clean appearance and render competent and courteous service to all customers and are courteous and respectful to fellow employees.

You must strictly comply with all of WCF's customer service policies and procedures which may include, among other things, that pricing information be provided only during personal meetings at the Salon premises.

You must designate a Principal as the Designated Principal who will oversee the general operation of the Salon, who is periodically on-premises for such minimum time as designated by WCF from time to time, and who has the authority to bind you in all dealings with WCF. If the Designated Principal ceases to actively oversee the general operation of the Salon, WCF may require that another Principal undergo initial training successfully and replace the previous Designated Principal.

M. Salon Manager.

You shall designate and retain an individual to service as your Salon Manager. The Salon Manager need not have an equity interest in the franchise or an interest in this Agreement, but must otherwise meet WCF criteria for the position of Salon Manager. The Salon Manager as of the date of this Agreement is identified in the Summary Pages. Unless waived in writing by WCF, the Salon Manager shall meet all of the following qualifications:

(1) The Salon Manager shall execute the Confidentiality and Noncompete Agreement.

(2) The Salon Manager, at all times, shall have full control over the day-to-day activities, including operations of the Salon.

(3) The Salon Manager shall devote full time and best efforts to supervising the operation of the Salon (and any other WINNIE COUTURE® Salons that you own and operate pursuant to a franchise agreement with WCF) and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitment.

(4) The Salon Manager shall complete the initial training program and any additional training required by WCF to our satisfaction.

(5) WCF shall have approved the Salon Manager as meeting its then-current Standards for such position, and not have later withdrawn such approval.

If the Salon Manager ceases to serve in, or no longer qualifications for, such position, you shall designate another qualified person to serve as your Salon Manager within 30 days after the date the prior Salon Manager ceases to serve or to qualify to serve. Your proposed replacement Salon Manager must complete the initial training program to our satisfaction, for which we may charge a training fee, and execute a Principal Undertaking and Guaranty or Confidentiality and Nondisclosure Agreement, if the Salon Manager is not a Principal, before assuming Salon Manager responsibilities.

N. Signs and Logos.

Subject to local ordinances, you shall prominently display at the Salon premises such interior and exterior signs, logos and advertising of such nature, form, color, number, location and size, and containing the content and information that WCF may from time to time direct. You shall not display in or about the Salon premises or otherwise in connection with the Marks any unauthorized sign, logo or advertising media of any kind.

O. Entertainment Equipment.

You shall not permit to be installed at the Salon premises any vending machine; any music, film or video device; or any other digital display device not authorized by WCF.

P. Compliance with Laws and Good Business Practices.

You shall secure and maintain in full force in your name all required licenses, permits and certifications relating to the operation of the Franchised Business. You shall operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations including, without limitation, all laws or regulations governing or relating to retail sales, immigration and discrimination, occupational hazards, employment laws (including, without limitation, workers' compensation insurance, unemployment insurance, and the withholding and payment of federal and state income taxes, social security taxes) and the payment of sales taxes. All advertising and promotion for the Salon shall be completely factual and shall conform to the highest standards of ethical advertising. In all dealings with the Salon's customers, suppliers and the public, you shall adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You shall refrain from any business or advertising practices that may be injurious to the good will associated with the Marks or to the business of WCF or its Affiliates, the System or other System franchisees.

You shall notify WCF in writing within five days after the commencement of: ***(1)*** any action, suit or proceeding, or the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation of the Salon or your financial condition; or ***(2)*** any notice of violation of any law, ordinance or regulation relating to health or sanitation at the Salon.

Q. Payment of Taxes and Other Indebtedness.

You shall promptly pay, when due, all taxes levied or assessed by any federal, state or local tax authority and any and all other indebtedness incurred by you in the operation of the Franchised Business. In the event of any bona fide dispute as to liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; provided, however, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Franchised Business or any improvements thereon.

12. ORGANIZATION OF THE FRANCHISEE

A. Representations.

If you are a Business Entity, you make the following representations and warranties: ***(1)*** the Business Entity is duly organized and validly existing under the laws of the state of its formation; ***(2)*** it is qualified to do business in the state or states in which the Salon is located; ***(3)*** execution of this Agreement and the development and operation of the Salon is permitted by its governing documents; and ***(4)*** unless waived in writing by WCF, its charter documents and its governing documents shall at all times provide that the activities of the Business Entity are limited exclusively to the development and operation of WINNIE COUTURE® Salons.

If you are an individual, or a partnership comprised solely of individuals, you make the following additional representations and warranties: ***(1)*** each individual has executed this Agreement; ***(2)*** each individual shall be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement; and ***(3)*** notwithstanding any transfer for convenience of ownership pursuant to Section 17, each individual shall continue to be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement.

B. Governing Documents.

If you are a corporation, copies of your Articles of Incorporation, bylaws, other governing documents and any amendments, including the resolution of the Board of Directors authorizing entry into and performance of this Agreement, and all shareholder agreements, including buy/sell agreements, have been furnished to WCF. If you are a limited liability company, copies of your Articles of Organization, operating agreement, other governing documents and any amendments, including the resolution of the Managers authorizing entry into and performance of this Agreement, and all agreements, including buy/sell agreements, among the members have been furnished to WCF. If you are a general or limited partnership, copies of your written partnership agreement, other governing documents and any amendments, as well as all agreements, including buy/sell agreements, among the partners have been furnished to WCF, in addition to evidence of consent or approval of the entry into and performance of this Agreement by the requisite number or percentage of partners, if that approval or consent is required by your written partnership agreement or applicable law. When any of these governing documents are modified or changed, you promptly shall provide copies of the modifying documents to WCF.

C. Ownership Interests.

If you are a Business Entity, all of your equity interests are owned as set forth on Attachment C. In addition, if you are a Business Entity, you shall maintain a current list of all owners of record and all beneficial owners of any class of voting securities of the corporation (and the number of shares owned by each). If you are a limited liability company, you shall maintain a current list of all members (and the percentage membership interest of each member). If you are a partnership, you shall maintain a current list of all owners of an interest in the partnership (and the percentage ownership interest of each general and limited partner). You shall comply with Section 17 prior to any change in ownership interests and shall execute addenda to Attachment C as changes occur in order to ensure the information contained in Attachment C is true, accurate and complete at all times.

D. Restrictive Legend.

If you are a corporation, you shall maintain stop-transfer instructions against the transfer on your records of any voting securities, and each stock certificate of the corporation shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of this stock is subject to the restrictions imposed on assignment by the Winnie Couture Franchising Franchise Agreement(s) to which the corporation is a party." If you are a limited liability company, each membership or management certificate or other evidence of interest in the limited liability company shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of an interest in this limited liability company is subject to the restrictions imposed on assignment by the Winnie Couture Franchising Franchise Agreement(s) to which the limited liability company is a party." If you are a partnership, your written partnership agreement shall provide that ownership of an interest in the partnership is held subject to, and that further assignment or transfer is subject to, all restrictions imposed on assignment by this Agreement.

E. Guarantees.

If you are a Business Entity, each of your Principals (and if you are a limited partnership, each of your general partner's Principals) shall execute the Personal Undertaking and Guaranty attached as Attachment D.

13. MARKS AND COPYRIGHTED WORKS

A. Acknowledgments.

You expressly understand and acknowledge that: ***(1)*** As between you and WCF, WCF is the exclusive owner of all right, title and interest in and to the Marks (and all goodwill symbolized by them) and the Copyrighted Works; ***(2)*** The Marks are valid and serve to identify the System and those who are licensed to operate a Franchised Business in accordance with the System; ***(3)*** Your use of the Marks and Copyrighted Works pursuant to this Agreement does not give you any ownership interest or other interest in or to them, except the nonexclusive license to use them in accordance with this Agreement and the Standards; ***(4)*** any and all goodwill arising from your use of the Marks and/or the System shall inure solely and exclusively to WCF benefit, and upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the System or the Marks; and ***(5)*** the license and rights to use the Marks and Copyrighted Works granted hereunder to you are nonexclusive, and WCF may: ***(a)*** itself use, and grant franchises and licenses to others to use, the Marks, Copyrighted Works and the System; ***(b)*** establish, develop and franchise other systems, different from the System licensed to you herein, without offering or providing you any rights in, to or under such other systems; and ***(c)*** modify or change, in whole or in part, any aspect of the Marks or Copyrighted Works.

B. Modification of the Marks and Copyrighted Works.

WCF reserves the right to add, eliminate, or modify any of the Marks and Copyrighted Works. You must promptly take all actions necessary to adopt all new and modified Marks and/or Copyrighted Works and discontinue using obsolete Marks and/or Copyrighted Works which may include, among other things, acquiring and installing, at your expense, new interior and exterior signage and graphics.

C. Use of the Marks and Copyrighted Works.

You shall use only the Marks and Copyrighted Works designated by WCF and shall use them only in connection with the operation and promotion of the Franchised Business and in the manner required or authorized and permitted by WCF. Your right to use the Marks and Copyrighted Works is limited to the uses authorized under this Agreement and in the Manual, and any unauthorized use thereof shall constitute an infringement of WCF rights and grounds for termination of this Agreement.

You shall not use the Marks as part of your Business Entity or other legal name. You shall comply with all requirements of WCF and applicable state and locals laws concerning use and registration of fictitious and assumed names, and shall execute any documents deemed necessary by

WCF or its counsel to obtain protection for the Marks or to maintain their continued validity and enforceability.

You may not cause or allow all or any recognizable portion of the Marks to be used or displayed as all or part of an e-mail address, Internet domain name, uniform resource locator ("**URL**"), or meta-tag, or in connection with any Internet home page, web site, social media accounts, messaging platform, or any other digital or Internet-related activity without WCF express written consent, and then only in a manner and in accordance with the procedures, standards and specifications that WCF establishes.

D. Assignment of Copyrighted Works.

To the extent that you or any Principal creates any derivative work based on the Copyrighted Works ("**Derivative Works**"), you and each such Principal assigns to WCF all ownership in and to the Derivative Work, and agree to execute such further assignments as WCF may request. You and each Principal shall take all actions and sign all documents necessary to give effect to the purpose and intent of this Section 13.D. You and each Principal irrevocably appoint WCF as true and lawful attorney-in-fact for you and each Principal, and authorize WCF to take such actions and to execute, acknowledge and deliver all such documents as may from time to time be necessary to convey to WCF all rights granted herein.

E. Infringement; Notice of Claims.

If you become aware of any infringement of the Marks or Copyrighted Works or if your use of the Marks or Copyrighted Works is challenged by a third party, then you must immediately notify WCF. WCF shall have the exclusive right to take whatever action it deems appropriate. If WCF or its Affiliate undertakes the defense or prosecution of any litigation pertaining to any of the Marks or other intellectual property, you must sign all documents and perform such acts and things as may, in the opinion of WCF counsel, be necessary to carry out such defense or prosecution. If it becomes advisable at any time in the sole discretion of WCF to modify or discontinue the use of any Mark or Copyrighted Works, or to substitute a new mark or graphic for any Mark or Copyrighted Work, as applicable, you must promptly comply, at your expense (which may include the cost of replacement signage and/or trade dress), with such modifications, discontinuances or substitutions.

F. Remedies and Enforcement.

You acknowledge that in addition to any remedies available to WCF under this Agreement, you agree to pay all court costs and reasonable attorneys' fees incurred by WCF in obtaining specific performance of, a temporary restraining order and/or an injunction against violation of the provisions of this Section 13.

14. CONFIDENTIALITY OBLIGATIONS AND RESTRICTIVE COVENANTS

A. Confidential Information.

You and each Principal acknowledge that all Confidential Information belongs exclusively to WCF. You and each Principal agree to maintain the confidentiality of all Confidential Information, not to duplicate any materials containing Confidential Information, and not to divulge any Confidential Information to anyone, except to other franchisees, your employees and your professional advisors on a need to know basis. You may use the Confidential Information only for the purpose of operating the Franchised Business. This provision will survive expiration or termination of this Agreement.

You shall cause your Salon Manager and any employee or contractor with access to Confidential Information, including information contained in the Manuals, to sign a confidentiality agreement in a form prescribed by WCF, which identifies WCF as a third-party beneficiary of such agreement and gives WCF independent rights of enforcement.

B. Covenants of the Franchisee.

During the term of this Agreement and for a three-year uninterrupted period commencing upon expiration or termination of this Agreement, regardless of the reason for termination, you shall not, directly or indirectly, for yourself or through, on behalf of or in conjunction with any individual or Business Entity: ***(1)*** divert customers or potential customers to other businesses; ***(2)*** induce any employee of another WINNIE COUTURE® Salon to leave his or her employment, or employ any person who had been employed by another WINNIE COUTURE® Salon within the previous 60-day period without paying the former employer a $1,000 training fee; or ***(3)*** own, operate, engage in, be employed by, advise, assist, invest in, franchise, make loans to or have any interest in any business (except another WINNIE COUTURE® Salon pursuant to a valid franchise agreement) featuring the sale of bridal gowns, wedding dresses, and/or special occasion dresses (provided that such restriction shall not apply to less than a 5% beneficial interest in any publicly traded corporation).

During the term of this Agreement, the restrictions contained in subsection ***(3)***, above, shall apply universally. During the three-year restrictive period described above, the restrictions shall apply only to businesses located ***(1)*** at the former Salon location; ***(2)*** within a 30-mile radius surrounding the Salon location; and ***(3)*** within a 15-mile radius surrounding any WINNIE COUTURE® Salon operating or under construction as of the date of termination or expiration of this Agreement.

The three-year restrictive period described above shall be tolled during any period of noncompliance.

You acknowledge that it also shall be deemed a breach of this Agreement if your spouse or other member of your Immediate Family shall engage in any conduct prohibited above to you.

C. Covenants of the Franchisee's Principals.

During the term of this Agreement and for a continuous uninterrupted three-year period commencing: ***(1)*** upon expiration or termination of this Agreement, regardless of the cause for termination, or ***(2)*** dissolution of the franchisee entity, or ***(3)*** the transfer or redemption of a Principal's interest in the franchisee entity, whichever occurs first, such Principal shall not, directly or indirectly, for himself or herself or through, on behalf of or in conjunction with any individual or Business Entity: ***(1)*** divert customers or potential customers to other businesses; ***(2)*** induce any employee of another WINNIE COUTURE® Salon to leave his or her employment, or employ any person who had been employed by another WINNIE COUTURE® Salon within the previous 60-day period without paying the former employer a $1,000 training fee; or ***(3)*** own, operate, engage in, be employed by, advise, assist, invest in, franchise, make loans to or have any interest in any business (except another WINNIE COUTURE® Salon pursuant to a valid franchise agreement) which features the sale of bridal gowns, wedding dresses, and/or special occasion dresses (provided that such restriction shall not apply to less than a 5% beneficial interest in any publicly traded corporation).

During the term of this Agreement, the restrictions contained in subsection ***(3)*** shall apply universally. During the two-year restrictive period described above, the restrictions shall apply only to Salons or businesses located ***(1)*** at the former Salon location; ***(2)*** within a 30-mile radius surrounding the Salon location; and ***(3)*** within a 15-mile radius surrounding any WINNIE COUTURE® Salon operating or under construction as of the date of termination or expiration of this Agreement.

The three-year period restrictive period described above shall be tolled during any period of noncompliance.

Franchisee acknowledges that it also shall be deemed a breach of this Agreement if a Principal's spouse or other member of Principal's Immediate Family shall engage in any conduct prohibited above to Principal.

At WCF's request, each Principal and employee shall execute a separate agreement containing the terms contained in this Section 14.C.

D. Reformation and Reduction of Scope of Covenants.

If all or a portion of any covenant contained in this Section 14 is held to be unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which WCF or its Affiliate is a party, you and the Principals will be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 14. Notwithstanding the foregoing, WCF has the unilateral right, in its sole discretion, to reduce the scope of any covenant set forth in Section 14, or any portion thereof, which reduction will become effective immediately upon delivery of notice of the reduction.

E. Acknowledgments.

The parties and each Principal acknowledge and agree that any claims that you or the Principal may have or allege to have against WCF shall not constitute a defense to the enforcement of any covenant contained in this Section 14.

F. No Undue Hardship.

You and each Principal acknowledge and agree that the covenants set forth in this Section 14 are fair and reasonable. You acknowledge and agree that such covenants will not impose any undue hardship on you and that you have other considerable skills, experience and education affording you the opportunity to derive income from other endeavors. Each principal acknowledges and agrees that such covenants will not impose any undue hardship on him or her, and that each has other considerable skills, experience and education affording him or her the opportunity to derive income from other endeavors.

G. Injunctive Relief.

You and each Principal acknowledge that the violation of any covenant contained in this Section 14 would result in immediate and irreparable injury to WCF for which there is no adequate remedy at law. The parties acknowledge and agree that, in the event of a violation of any covenant contained in this Section 14, WCF shall be entitled to seek injunctive relief to restrain such violation in accordance with the usual equity principles. The party in violation of any foregoing covenant shall reimburse WCF for any costs that it incurs (including attorneys' fees) in connection with enforcement of the provisions contained in this Section 14.

15. ADVERTISING

A. General Requirements.

All of your promotional and marketing materials shall be presented in a dignified manner and shall conform to WCF's standards and specifications related to advertising, marketing and trademark use. You may not engage in any marketing or promotional activities which we have not approved in writing in advance. You shall submit to WCF samples of proposed promotional and marketing materials, and notify WCF of the intended media, before first publication or use. WCF shall use good faith efforts to approve or disapprove proposed promotional and marketing materials within 10 business days of their receipt. You may not use the promotional or marketing materials until WCF expressly approves the materials and the proposed media. Once approved, you may use the materials only in connection with the media for which they were approved. WCF may disapprove your promotional or marketing materials, or the media for which they were approved, at any time, and you must discontinue using any disapproved materials or media upon your receipt of written notice of disapproval. You may only market or advertise the Franchised Business in, or solicit business from customers located in your Designated Area. In order to maintain consistency among all WINNIE COUTURE® Salons you are required to purchase all marketing materials through us or our affiliate. Such materials include business cards, bride appointment cards, flyers, postcards, posters, mini catalogs, and any other such promotional or business marketing tools we use, or might use, as a part of the System.

B. Grand Opening Advertising.

You are required to spend a minimum of $4,000 on the Grand Opening Advertising Campaign for your Salon. You must conduct your Grand Opening Advertising Campaign within ninety (90) days after your Salon first opens for business. WCF reserves the right to approve your Grand Opening Advertising Campaign.

C. Brand Development Fee.

You must pay to us a brand development fee (the "**Brand Development Fee**") in the amount stated on the Summary Pages. In consideration for the Brand Development Fee, we will provide such advertising, marketing, and promotional services as we deem appropriate in our sole discretion. We may collect the Brand Development Fee on such periodic basis as we specify, which may be weekly, monthly, or otherwise.

D. Local Advertising Expenditure.

Each calendar quarter you shall expend for local advertising purposes the amount set forth in the Summary Pages. Any amounts contributed to an Advertising Cooperative pursuant to Section 15.~~D~~E, below, shall be credited toward satisfaction of your Local Advertising Expenditure.

E. Advertising Cooperatives.

WCF may, from time to time, form local or regional advertising cooperatives ("**Advertising Cooperative**") to pay for the development, placement and distribution of advertising for the benefit of Salons located in the geographic region served by the Advertising Cooperative. Any Advertising Cooperative established by WCF will be operated solely as a conduit for the collection and expenditure of Advertising Cooperative fees for the foregoing purposes.

If WCF forms an Advertising Cooperative for the region in which the Salon is located, you agree to participate in the Advertising Cooperative pursuant to the terms of this Section 15.~~D~~E.

WCF shall have the exclusive right to create, dissolve and merge each Advertising Cooperative created, in its discretion, and to create and amend the organizational and governing documents related thereto; provided that such documents shall: ***(1)*** operate by majority vote, with each WINNIE COUTURE® Salon (including Salons owned by WCF or its Affiliates) entitled to one vote, ***(2)*** entitle WCF to cast one vote (in addition to any votes it may be entitled to on account of its operation of Salons in the area served by the Advertising Cooperative, ***(3)*** permit the members of the Advertising Cooperative, by majority vote, to determine the amount of required contributions, ***(4)*** provide that any funds left in the Cooperative at the time of dissolution shall be returned to the members in proportion to their contributions during the 12-month period immediately preceding termination.

You agree to be bound by all organizational and governing documents created by WCF and, at WCF's request, shall execute all documents necessary to evidence or affirm your agreement. The Advertising Cooperative shall begin operating on a date determined in advance by WCF.

No advertising or promotional plans or materials may be used by the Advertising Cooperative or furnished to its members without WCF's prior approval. All advertising plans and materials must conform to the Standards and must be submitted to WCF for approval according to the procedures set forth in Section 11.~~A~~C. of this Agreement.

F. Restriction Against Internet Advertising.

You may not establish or maintain social media accounts, a web site, or other presence on the World Wide Web portion of the Internet that reflects any of the Marks or any of WCF's copyrighted works as part of its URL or domain name, that otherwise states or suggests your affiliation with WCF or its franchise system, or that uses or displays any Collections and Accessories offered at the Salon.

G. Social Media. You agree to follow WCF's mandatory specifications, standards, operating procedures, and rules for using social media in connection with your operation of the Salon and you must agree to any Social Media policy WCF's implements. You understand that such mandatory specifications may include a prohibition on the use of certain or all forms of social media. The term "**Social Media**" includes personal blogs, common social networks, professional networks, live-blogging tools, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites, applications, or tools.

16. INSURANCE

A. Obligation to Maintain Insurance.

You shall be responsible for all loss or damage arising from or related to your development and operation of the Salon, and for all demands or claims with respect to any loss, liability, personal injury, death, property damage, or expense whatsoever occurring upon the premises of, or in connection with the development or operation of, the Salon. You shall maintain in full force and effect throughout the term of this Agreement that insurance which you determine is necessary or appropriate for liabilities caused by or occurring in connection with the development or operation of the Salon which shall include, at a minimum, insurance policies of the kinds, and in the amounts, required by section 16.B. WCF, and any entity with an insurable interest designated by WCF (the "**Additional Named Insureds**"), shall be an additional insured in such policies to the extent each has an insurable interest. Each policy of insurance maintained pursuant to this Agreement shall contain a waiver of subrogation in favor of the Additional Named Insureds.

B. Minimum Insurance Coverage.

All insurance policies shall be written by an insurance company or companies satisfactory to WCF, in compliance with the standards, specifications, coverages, and limits set forth in the Manual or otherwise provided to you in writing. These policies shall include, at a minimum, the following:

(1) Comprehensive general liability insurance including coverage for bodily injury, personal injury, products liability, blanket contractual liability, broad form property damage, non-owned automobiles, completed operations and property damage on an occurrence basis with policy limits of not less than $1,000,000 per occurrence and $2,000,000 aggregate.

(2) Property Insurance written on an "All Risks" policy for fire and related peril (including floods and earthquakes where applicable) with limits of insurance of not less than the full replacement value of the Salon, and its furniture, fixtures, equipment, inventory and other tangible property.

(3) Business Interruption and Extra Expense coverage to include rental payment continuation for a minimum of 12 months, loss of profits and other extra expenses experienced during the recovery from property loss.

(4) Employer's Liability coverage in the amount of $100,000 per person, $500,000 in the aggregate and $100,000 for occupational disease.

(5) Workers' compensation and such other insurance as may be required by statute or rule of the state or locality in which the Salon is located. This coverage shall also be in effect for all of your employees who participate in any of the training programs described in this Agreement.

(6) Sign insurance with a limit of $1,000.

(7) Employee theft insurance with a limit of $25,000; and

(8) In connection with any construction, renovation, refurbishment, or remodeling of the Salon, you shall maintain Builder's All Risks insurance and in connection with new construction or substantial renovation, refurbishment, or remodeling of the Salon, you shall maintain performance and completion bonds in forms and amounts, and written by carrier(s), reasonably satisfactory to WCF.

WCF may reasonably increase the minimum coverage required and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards or other relevant changes in circumstances. Franchisee shall receive written notice of such modifications and shall take prompt action to secure the additional coverage or higher policy limits.

C. Insurance Policy Requirements.

The following general requirements shall apply to each insurance policy that you are required to maintain under this Agreement:

(1) Each insurance policy shall be specifically endorsed to provide that the coverage shall be primary and that any insurance carried by any additional insured shall be excess and non-contributory.

(2) No insurance policy shall contain a provision that in any way limits or reduces coverage for you in the event of a claim by WCF or its affiliates.

(3) Each insurance policy shall extend to, and provide indemnity for, all of your obligations and liabilities to third parties and all other items for which you are required to indemnify WCF under this Agreement.

(4) Each insurance policy shall be written by an insurance company that has received and maintains "A+" or better rating by the latest edition of Best's Insurance Rating Service.

(5) No insurance policy shall provide for a deductible amount that exceeds $5,000, unless otherwise approved in writing by WCF, and Franchisee's co-insurance under any insurance policy shall be 80% or greater.

D. Delivery of Certificate.

Prior to the Salon's opening, and on each policy renewal date thereafter, you shall submit evidence of satisfactory insurance and proof of payment therefore to WCF. The evidence of insurance shall include a statement by the issuer that the policy or policies will not be cancelled or materially altered without at least 30 days' prior written notice to WCF. Upon request, you also shall provide to WCF copies of all or any policies, and policy amendments and riders.

E. Minimum Insurance Requirements Not a Representation of Adequacy.

You acknowledge that no requirement for insurance contained in the Agreement constitutes advice or a representation by WCF that only such policies, in such amounts, are necessary or adequate to protect you from losses in connection with your business under this Agreement. Maintenance of this insurance, and the performance of your obligations under this Section 16, shall not relieve you of liability under the indemnification provisions of this Agreement.

F. WCF's Right to Procure Insurance.

If you fail to procure or maintain at least the insurance required by this Section 16, as revised from time to time pursuant to the Manual or otherwise in writing, WCF shall have the immediate right and authority, but not the obligation, to procure such insurance and charge its cost to you. You shall reimburse WCF for all out-of-pocket costs incurred by WCF in obtaining such insurance on your behalf immediately upon demand for payment.

17. TRANSFER

A. Transfer by WCF.

WCF shall have the right, in its sole discretion and without your consent, to assign this Agreement and/or all of its rights and/or obligations hereunder in a related or third party transaction, may sell any or all of its assets (including its rights in and to the Marks and the System); may issue new shares through an initial public offering and/or private placement; may merge with and/or acquire other companies, or may merged into or be acquired by another company; may pledge its assets to secure payment of its financial obligations.

B. Transfer by Franchisee.

You understand and acknowledge that WCF has entered into this Agreement in reliance on your business skill, financial capacity, personal character, experience and demonstrated or purported ability in retail sales and service operations. Accordingly, you may not sell or transfer your interest in this Agreement or the assets of the Salon (except in the ordinary course of your business) without WCF's prior written consent. In addition, if you are a Business Entity, no Principal may transfer or assign his or her equity interest in the Business Entity without WCF prior written consent, which will not unreasonably be withheld. For purposes of this Section 17.B. the term "**transfer**" means and includes an actual assignment, sale or transfer of an interest, or a collateral assignment or pledge of the interest as security for performance of an obligation.

You must notify WCF in writing at least 60 days prior to the date of any such intended transfer. Any purported transfer, by operation of law or otherwise, not having the written consent of WCF shall be null and void and shall constitute a material breach of this Agreement. WCF shall not unreasonably withhold its consent to any transfer, but may, in its sole discretion, require any or all of the following as conditions of its consent:

(1) All of your accrued monetary obligations and all other outstanding obligations to WCF and its Affiliates and your suppliers shall be up to date, fully paid and satisfied.

(2) You must be in full compliance with this Agreement and any other agreements between you and WCF, its Affiliates and your suppliers.

(3) You and each Principal shall have executed a general release, in a form satisfactory to WCF, of any and all claims against WCF and its Affiliates and their respective officers, directors, shareholders, agents and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that any release will not be inconsistent with any state law regulating franchising.

(4) The transferee shall demonstrate to WCF's satisfaction that the transferee meets WCF then-current educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the Franchised Business; and has sufficient equity capital to operate the Franchised Business.

(5) The transferee shall execute WCF's then-current form of franchise agreement for the remaining term (and if the transferee is a Business Entity, then the transferee's principals shall jointly and severally guarantee your obligations under this Agreement in writing in a form satisfactory to WCF), and you shall pay to WCF the Transfer Fee in the amount set forth in the Summary Pages and reimburse WCF for all costs (including attorneys' fees) that it incurs in connection with the transfer.

(6) The transferee shall agree to refurbish the Salon, at its expense, to conform to WCF's then-current standards and specifications for a new WINNIE COUTURE® Salon.

(7) You agree to remain liable for all direct and indirect obligations to WCF in connection with the Franchised Business prior to the effective date of the transfer, shall continue to remain responsible for its obligations of nondisclosure, noncompetition and indemnification as provided elsewhere in this Agreement, and all other obligations that survive termination, expiration or transfer and shall execute any and all instruments reasonably requested by WCF to further evidence such obligation.

(8) The transferee shall comply with WCF's initial training requirements.

(9) You or the transferor must provide WCF with a copy of the agreements of purchase and sale between the transferor and the transferee. The economic terms of the transfer may not materially and adversely affect, in WCF's sole judgment, the post transfer viability of the Franchised Business.

C. Security Interest.

You may grant a security interest in this Agreement or the franchise represented by this Agreement only to the limited extent permitted by Section 9-408 of the Uniform Commercial Code. Any such security interest may only attach to an interest in the proceeds of the operation of the Franchised Business and may not under any circumstances entitle or permit the secured party to take possession of or operate the Franchised Business or to transfer your interest in the franchise without WCF's consent.

D. Public and Private Offerings.

If you are a Business Entity and you intend to issue equity interests pursuant to a public or private offering, you shall first obtain WCF's written consent, which consent shall not be unreasonably withheld. You must provide to WCF for its review a copy of all offering materials (whether or not such materials are required by applicable securities laws) at least 60 days prior to such documents being filed with any government agency or distributed to investors. No offering shall imply (by use of the Marks or otherwise) that WCF is participating in an underwriting, issuance or offering of your securities, and WCF review of any offering shall be limited to ensuring compliance with the terms of this Agreement. WCF may condition its approval on satisfaction of any or all of the conditions set forth in Section 17.B. and on execution of an indemnity agreement, in a form prescribed by WCF, by you and any other participants in the offering. For each proposed offering, you shall pay to WCF a retainer in an amount determined by WCF, which WCF shall use to reimburse itself for the reasonable costs and expenses it incurs (including, without limitation, attorneys' fees and accountants' fees) in connection with reviewing the proposed offering.

E. Right of First Refusal.

If you receive a bona fide offer to purchase your interest in this Agreement or all or substantially all of the assets of the Franchised Business, or if any Principal receives a bona fide offer to purchase his or her equity interests in you, and you or such Principal wishes to accept such offer, you or the Principal must deliver to WCF written notification of the offer and, except as otherwise provided herein, WCF shall have the right and option, exercisable within 30 days after receipt of such written notification, to purchase the seller's interest on the same terms and conditions offered by the third party. If the bona fide offer provides for the exchange of assets other than cash or cash equivalents, the bona fide offer shall include the fair market value of the assets and you shall submit with the notice an appraisal prepared by a qualified independent third party evidencing the fair market value of such assets as of the date of the offer. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by WCF as in the case of an initial offer. If WCF elects to purchase the seller's interest, closing on such purchase must occur by the later of: (1) the closing date specified in the third party offer; or (2) within 60 days from the date of notice to the seller of WCF election to purchase. WCF failure to exercise the option described in this paragraph shall not constitute a waiver of any of the transfer conditions set forth in this Section 17.

F. Transfer Upon Death or Mental Incapacity.

If your Salon Manager dies or becomes incapacitated, WCF shall consent to the appointment of a new Salon Manager and to the transfer of the former Salon Manager's interest in this Agreement or equity interest in the franchisee (as applicable) to his or her spouse, heirs or relatives, whether such transfer is made by will or by operation of law, if, in WCF sole discretion and judgment, the replacement Salon Manager meets WCF educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the Franchised Business herein; has at least the same managerial and financial criteria required by new franchisees and has sufficient equity capital to operate the Franchised Business. If said transfer is not approved by WCF, the executor, administrator or personal representative of such person shall transfer the former Salon Manager's interest to a third party approved by WCF within six months after such death, mental incapacity or disability. Such transfer shall be subject to WCF right of first refusal and to the same conditions as any inter vivos transfer.

G. Non-Waiver of Claims.

WCF's consent to a Transfer shall not constitute a waiver of any claims it may have against the transferring party, and it will not be deemed a waiver of WCF's right to demand strict compliance with any of the terms of this Agreement, or any other agreement to which WCF and the transferee are parties, by the transferee.

H. Step-In Rights.

To prevent any interruption of the business of the Franchised Business and any injury to the goodwill and reputation thereof which may be caused thereby, you hereby authorize WCF, and WCF shall have the right, but not the obligation, to operate the Franchised Business for as long as WCF deems necessary and practical, and without waiver of any other rights or remedies WCF, may have under this Agreement, in the event that: ***(1)*** your Operating Principal is absent or incapacitated by reason of illness or death and that you are not, therefore, in the sole judgment of WCF, able to operate the Franchised Business, or ***(2)*** any allegation or claim is made against the Franchised Business, you or any Principal, director or employee, involving or relating to misrepresentations or any fraudulent or deceptive practice. If WCF undertakes to operate the Franchised Business, WCF shall have the right to collect and pay from the revenues of the Franchised Business all expenses relating to the operation of the Franchised Business including, without limitation, Royalty Fees and Brand Development Fees, employee salaries, reimbursement of WCF expenses incurred in connection with such operation, and a reasonable management fee. You shall indemnify and hold WCF harmless from any and all claims arising from the alleged acts and omissions of WCF and its representatives.

18. DEFAULT AND TERMINATION

A. Termination without Opportunity to Cure.

WCF may terminate this Agreement, by delivering to you written notice of termination, upon the occurrence of any of the following events of default:

(1) Your failure to identify a site for the Salon in accordance with Section 3.A, or your failure to open the Salon for business in accordance with Section 4.B.

(2) Your abandonment of the Salon (for purposes of this provision "abandonment" will be deemed to occur if you fail to operate the Salon on three or more consecutive days or if you otherwise convey an intention to close the Salon), or lose the right to possess the Salon premises.

(3) The making of any false or materially misleading representations in your franchise application or during the franchise application process.

(4) Your conviction, or any Principal's, conviction of a felony, a crime involving moral turpitude or any other crime which is likely to materially and adversely affect System or the goodwill associated with the Marks, or if you or any Principal is held liable in any civil action involving allegations of fraud or unfair trade practices or similar allegations.

(5) Violation of any confidentiality or noncompete obligations, as described in Section 14, by you or any Principal.

(6) The Salon fails two consecutive quality assurance inspections or fails three quality assurance inspections during any rolling 24-month period.

(7) Termination for cause of any other franchise agreement between WCF and you or your Affiliate.

(8) Delivery of three or more notices of default during any rolling 24-month period, whether or not the event(s) of default described in such notices ultimately are cured.

(9) If you become insolvent or make a general assignment for the benefit of creditors, or if a petition in bankruptcy is filed by you or against you, or if you are adjudicated bankrupt, or if a bill in equity or other proceeding for the appointment of a receiver for your business or assets is filed and against you, or if any court of competent jurisdiction appoints a receiver for your business assets, or if a final judgment is entered against you and remains unsatisfied or of record for 30 days or longer (unless a *supersedeas* bond is filed), or if execution is levied against any of the Salon's assets, or foreclosure proceedings are initiated against you by any secured lender.

B. Termination with Opportunity to Cure.

WCF may terminate this Agreement, by delivery of written notice of default, upon the occurrence of any of the following events of default and your failure to take appropriate corrective action during the applicable cure period:

(1) You fail to pay any monies owed to WCF or its Affiliates within 10 days after delivery of written notice of a deficiency.

(2) You misuse the Marks, the Copyrighted Works, or WCF other intellectual property (which includes, without limitation, offering or selling unauthorized products or services under or in conjunction with the Marks), and fail to correct the misuse within five days after delivery of written notice.

(3) The Salon is cited for violation of health, sanitation or safety laws or regulations, and fails to cure the violation within five days after receiving the citation.

(4) You fail to comply with any provision of this Agreement (except as otherwise provided in this Section 18) and fail to take appropriate corrective action within 30 days after delivery of written notice of a deficiency.

C. Other Remedies.

In addition to its termination rights, WCF shall have the right to require the Salon closed during any period in which ***(1)*** it is in violation of applicable health, sanitation or safety laws or regulations, or ***(2)*** in WCF's sole discretion, continued operation of the Salon poses a risk to public health or safety. In lieu of exercising WCF's right to terminate this Agreement, WCF may also, without waiving such right to terminate: ***(a)*** withhold services to you; ***(b)*** limit your access to any or all portions of certain software or computer systems; ***(c)*** revoke your right to participate in promotions or programs and to attend franchise conventions and meetings; ***(d)*** after your failure to cure such default, inspect or re-inspect the Salon and, regardless of whether it is an inspection or re-inspection, charge you our then-current Re-Inspection Fee; and/or ***(e)*** exercise WCF's option to acquire the Salon pursuant to Section 19.B.

19. OBLIGATIONS UPON EXPIRATION OR TERMINATION

A. Expiration or Termination of Franchise.

Upon termination or expiration of this Agreement, you shall have no further right to use the Marks, Copyrighted Works or other intellectual property owned and licensed to you by WCF. You may no longer hold yourself out as a WINNIE COUTURE® Salon operator, and you shall refrain from representing any present or former affiliation with WCF or the WINNIE COUTURE® Salon franchise system. You shall immediately pay all sums due and owing to WCF and its Affiliates.

You shall immediately take all actions necessary to cancel any assumed or fictitious name containing the Marks, and shall do all things necessary to transfer to WCF or its designee the Salon's telephone number(s). You hereby grant to WCF and its representatives power of attorney for the specific purpose of executing all documents and doing all things necessary to effect such cancellations and transfers. You agree to also transfer any and all business listings, social media accounts, and any other online listings or accounts or other use of the Marks as elected by WCF.

You shall immediately surrender to WCF all copies of all materials in your possession including the Manual and all other documentation relating to the operation of the Franchised Business, and all copies thereof, and shall retain no copy or record of any of the foregoing, excepting only your copy of this Agreement, any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law.

B. WCF Option to Assume Lease and Purchase Assets.

Upon termination or expiration of this Agreement, WCF shall have the option (but not the obligation) to assume your lease for the Salon premises by delivering to you written notice of its election within 30 after termination or expiration of this Agreement. If WCF exercises its option, WCF also shall purchase the Salon's furnishings, equipment, graphics, signage and small wares for a purchase price equal to fully tax-depreciated value. WCF also shall have the right (but not the obligation) to assume any equipment leases and other contracts relating to the operation of the Salon as WCF, in its sole discretion, agrees to assume. Closing on the purchase of assets shall occur no later than 60 days after WCF exercises its option.

If WCF elects not to assume your lease for the Salon premises, WCF shall have the option to purchase or may require you to destroy, any graphics, signage or other materials bearing the Marks. To the extent that WCF elects to purchase any such items, the purchase price shall be equal to fully depreciated book value of such items. You shall immediately remove from the Salon premises all items bearing the Marks and Copyrighted Works and modify the trade dress as necessary to distinguish the premises from a WINNIE COUTURE® Salon. If you fail or refuse to comply with the requirements of this subsection, WCF and its representatives shall have the right to enter on the Salon premises, without liability for trespass or other civil tort, for purposes of making such changes, at your expense, which you shall pay upon demand.

If WCF elects not to assume your lease for the Salon premises, WCF shall also have the option to purchase all remaining inventory from you for the depreciated value equal to two-thirds of your original purchase price.

WCF shall have the right to offset against the purchase price of any items purchased from you pursuant to this Section 19.B.: ***(1)*** amounts that you owe to WCF or its Affiliates, ***(2)*** lease transfer fees (if any), other costs owed to your landlord and the costs of renovating the Salon premises so that it meets WCF then-current standards and specifications (if WCF elects to assume the lease for the Salon premises), ***(3)*** the costs of de-identifying the Salon premises in accordance with this Section 19.B. if you fail to do so (if WCF does not elect to assume the lease for the Salon premises), ***(4)*** all costs incurred by WCF relating to its purchase of the Salon's assets (including the cost of an independent appraiser, if necessary).

C. Compliance with Post Term Obligations.

You and each Principal shall comply with all covenants and obligations which, by their nature, ~~surviving~~survive termination of this Agreement including, without limitation, the confidentiality obligations and restrictive covenants contained in Section 14 and the indemnification obligations described in Section 20.B.

D. Payment of all Due Amounts; Liquidated Damages. You agree to pay to WCF within 15 days after this Agreement expires or is terminated all unpaid Royalty Fees and Brand Development Fees, all amounts due for purchases from WCF or WCF's Affiliates, any other amounts due to us or our Affiliates which are unpaid, and all applicable late fees and interest. If WCF terminates this Agreement due to your default hereunder, or under any other agreement with us, or if you terminate this Agreement before this Agreement's scheduled expiration date, you will pay to WCF, as liquidated damages and not as a penalty, damages in the amount equal to ***(i)*** your average weekly Royalty Fee plus your average weekly Brand Development Fee due for the last 52 weeks (or, if less, the period the Store has been open) before your termination, ***(ii)*** multiplied by the lesser of the number of months remaining in the then-current Term of the Franchise Agreement or 260, and ***(iii)*** discounted to present value using the then-current prime rate of interest quoted by WCF's principal commercial bank..

20. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. Independent Contractor.

The parties acknowledge and agree that this Agreement does not create a fiduciary relationship between them, that you will operate the Franchised Business as an independent contractor, and that neither party to this Agreement shall be considered an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer, or servant of the other party.

Except as otherwise expressly authorized by this Agreement, neither party hereto will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between WCF and you are other than that of franchisor and franchisee. WCF does not assume any liability, and will not be deemed liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement, nor will WCF be obligated for any damages to any person or property which directly or indirectly arise from or relate to the operation of the Franchised Business. WCF does not participate in the hiring, disciplining, or discharging of your employees or in setting and paying wages and benefits to your employees, and you acknowledge that WCF has no power, responsibility, or liability with respect to the hiring, disciplining, or discharging of employees or in setting or paying their wages.

During the term of this Agreement, you shall identify yourself as the owner of the Salon operating under a franchise granted by WCF, and shall apply for all permits and certificates of occupancy in your own name. Additionally, your individual name (if you are an individual) or your corporate name (if you are a Business Entity) must appear prominently on all invoices, order forms, receipts, business stationery and contracts. You shall not use the Marks to incur or secure any obligation or indebtedness on behalf of WCF. You shall display at the Salon, in a conspicuous location, a form of notice approved by WCF, stating that you are an independent franchised operator of the WINNIE COUTURE® Salon.

B. Indemnification.

You shall defend at your own cost and indemnify and hold harmless to the fullest extent permitted by law, WCF, its Affiliates and their respective directors, officers, employees, agents, shareholders, designees, and representatives (collectively, the "**WCF Indemnities**") from all Losses and Expenses incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof which arises out of or is based upon any of the following: ***(1)*** your alleged infringement or any other violation or any other alleged violation of any patent, trademark or copyright or other proprietary right owned or controlled by third parties; ***(2)*** your alleged violation or breach of any contract, federal, state or local law, regulation, ruling, standard or directive of any industry standard; ***(3)*** libel, slander or any other form of defamation by you; ***(4)*** your alleged violation or breach of any warranty, representation, agreement or obligation in this Agreement; ***(5)*** any acts, errors or omissions of you or any of its agents, servants, employees, contractors, partners, proprietors, affiliates, or representatives; ***(6)*** latent or other defects in the Franchised Business, whether or not discoverable by WCF or you; ***(7)*** the inaccuracy, lack of authenticity or nondisclosure of any information by any customer of the Franchised Business; ***(8)*** any services or products provided by you at or from the Salon premises or otherwise related to the operation of the Franchised Business; ***(9)*** any services or products provided by any affiliated or nonaffiliated participating entity; ***(10)*** any action by any customer of the Franchised Business; and ***(11)*** any damage to the property of you or WCF, their agents or employees, or any third person, firm or corporation, whether or not such losses, claims, costs, expenses, damages, or liabilities were actually or allegedly caused wholly or in part through the active or passive negligence of WCF or any of its agents or employees, or resulted from any strict liability imposed on WCF or any of its agents or employees.

"**Losses and Expenses**" means, for purposes of this Agreement, without limitation, all losses and expenses including compensatory, exemplary, incidental, consequential or punitive damages, fines, charges, expenses, lost profits, legal fees, expert fees, court costs, settlement amounts, judgments, compensation for WCF reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media/time/space and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

You must notify WCF immediately of any event you are aware for which indemnification is required. Under this Section, WCF will have the right, but not the obligation, to: ***(a)*** choose counsel; ***(b)*** direct and control the handling of the matter; and ***(c)*** settle any claim against the WCF Indemnitees. WCF's assumption will not modify your indemnification obligation. WCF may, in its sole and absolute discretion, take such actions as WCF deems necessary and appropriate to investigate, defend, or settle any event resulting in losses and expenses under this Section or take other remedial or corrective actions with respect thereof as may be, in its sole and absolute discretion, necessary for the protection of the WCF Indemnitees or the System.

This Section will survive the expiration or termination of this Agreement and applies to all losses and expenses even if they exceed the limits of your insurance coverage.

21. NOTICES

All notices, requests and reports required or permitted under this Agreement must be in writing and must be personally delivered or sent by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid or by facsimile (provided that the sender confirms the facsimile by sending an original confirmation copy by certified mail or expedited delivery service within five calendar days after transmission) to the respective parties at the addresses reflected in the Summary Pages, unless and until a different address has been designated by written notice to the other party. Any notice will be deemed to have been given at the time of personal delivery or receipt; provided, however, that if delivery is rejected, delivery will be deemed to have been given at the time of such rejection.

22. SEVERABILITY AND CONSTRUCTION

A. Entire Agreement.

This Agreement and its Attachments constitute the final and fully integrated agreement between the parties concerning the subject matter hereof, and supersede all prior agreements. Nothing in this Agreement or any related agreement is intended to disclaim the representations set forth in the franchise disclosure document.

B. Modification.

This Agreement may be modified only by a written document, signed by both parties.

C. Written Consent.

Whenever this Agreement requires the prior approval or consent of WCF, you shall make a timely written request to WCF therefore and such approval or consent shall be obtained in writing.

D. No Waiver.

No failure of WCF to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of WCF right to demand exact compliance with any of the terms herein. WCF's waiver of any particular default by you shall not affect or impair WCF's rights with respect to any subsequent default of the same, similar or different nature, nor shall any delay, forbearance or omission of WCF to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants hereof affect or impair WCF's right to exercise the same, nor shall such constitute a waiver by WCF of any right hereunder or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by WCF of any payments due to it hereunder shall not be deemed to be a waiver by WCF of any preceding breach by you of any terms, covenants or conditions of this Agreement.

E. Severability.

Except as expressly provided to the contrary herein, each section, part, term and/or provision of this Agreement shall be considered severable, and if, for any reason, any section, part, term and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms and/or provisions of this Agreement as may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties hereto, and said invalid sections, parts, terms and/or provisions shall be deemed not to be a part of this Agreement; provided, however, that if WCF determines that such finding of invalidity or illegality adversely affects the basic consideration of this Agreement, WCF, at its option, may terminate this Agreement.

F. Captions and Headings; References to Gender; Counterparts.

All captions in this Agreement are intended solely for the convenience of the parties, and none of the captions shall be deemed to affect the meaning or construction of any provision hereof. All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural. This Agreement may be executed in one or more originals, each of which shall be deemed an original.

G. Persons Bound.

All acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all of the parties executing this Agreement as franchisee hereunder. As used in this Agreement, the term "you" shall include all persons who succeed to the interest of the original franchisee by transfer or operation of law.

23. GOVERNING LAW AND FORUM SELECTION

A **Arbitration.**

(a) Unless otherwise provided in this Agreement or not solved during the mediation process described in Section 23.B., you and ~~WFC~~WCF agree to submit any claim, controversy or dispute (collectively, "**Dispute**") between us or any of our affiliates (and/or their respective shareholders, officers, directors, agents, representatives and/or employees) and you (and/or your Principals, owners, guarantors, agents, representatives and/or employees, as applicable) arising out of or related to ***(i)*** this Agreement or any other agreement between ~~WFC~~WCF and you, ***(ii)*** ~~WFC~~WCF's relationship with you, ***(iii)*** the validity of this Agreement or any other agreement between us and ~~WFC~~WCF, or ***(iv)*** any System standard, to arbitration. The arbitration will be administered in accordance with the Commercial Rules of the American Arbitration Association ("**AAA**"). The arbitration will be conducted by one arbitrator selected by agreement of the parties or (in the event the parties cannot agree) in accord with the Rules. The arbitrator will apply the Federal Rules of Evidence with respect to the admissibility of evidence. The Arbitrator must be a person experienced in franchise law who has no prior business or personal relationship with either party. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) ("**FAA**"). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction. The arbitrator will be required to state in writing the reasoning on which the award is based.

(b) Arbitration will be conducted in the city in which ~~WFC~~WCF maintains its principal business offices at the time of the arbitration. Arbitration will be conducted on an individual, and not a class-wide, basis and an arbitration proceeding between the parties and their respective Owners, officers, directors, agents, guarantors, representatives, and/or employees may not be consolidated with any other arbitration proceeding between ~~WFC~~WCF and any other person or Entity. ~~WFC~~WCF reserves the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so shall not be deemed to have waived or relinquished our right to seek the recovery of those costs in accordance with Section 23.H. The arbitrator, in the conduct of the arbitration, will not have the authority to declare any Mark generic or otherwise invalid and, to the fullest extent permitted by law. With the exception of our right to seek indemnification as set forth in this Agreement, and our right to seek recovery of lost future profits, including liquidated damages as set forth in Section 19.D, each party waves any right to or claim for any punitive, exemplary, incidental or consequential damages against the other.

(c) Any disputes concerning the enforceability or scope of this arbitration provision shall be resolved pursuant to the FAA, and the parties agree that the FAA preempts any state law restrictions (including the site of the arbitration) on the enforcement of this arbitration provision. If, prior to an Arbitrator's final decision, either you or ~~WFC~~WCF commences an action in any court for a claim that arises out of or relates to this Agreement (except for the purpose of enforcing this arbitration provision or as otherwise permitted by this Agreement), the party bringing the action in court will be responsible for the other party's expenses of enforcing this arbitration provision, including court costs, arbitration filing fees, and other costs and attorneys' fees.

(d) If any party institutes any claim subject to this arbitration proceeding in any court, and the other party succeeds in a motion to compel arbitration of the claim, the compelling party shall reimburse the other party their reasonable attorneys' fees and costs in defending the action and in the motion to compel arbitration.

(e) Notwithstanding the foregoing, ~~WFC~~WCF has the right to apply to any court of competent jurisdiction, in lieu of arbitration, for failure to pay Royalty Fees or any other amounts due and owing under this Agreement or to enforce ~~WFC~~WCF's right to indemnification. The parties each also have the right to apply to any court of competent jurisdiction, in lieu of arbitration, for any Disputes where injunctive or other extraordinary relief is being sought. You and your Principals irrevocably consent to the personal jurisdiction of the state and federal courts located in the county in which ~~WFC~~WCF maintains its principal place of business for the purpose of this Section.

B Mandatory Pre-Arbitration Mediation.

Except as stated below, before filing any proceeding to resolve a Dispute, either party has the right to demand participation in mediation. One mediator will be selected by the parties and if they cannot agree, then a mediator will be selected by the AAA. The mediation will be held near ~~WFC~~WCF's principal offices, currently in Beverly Hills, California, will not last more than one day, and if the parties do not resolve their dispute, then any party may file an arbitration proceeding in line with the terms of this Agreement. The mediation will be governed by the rules of the AAA. The parties agree that mediation will be held no later than 14 days after a written request for mediation has been served on the other parties. The costs and expenses of mediation, including the compensation and expenses of the mediator (but excluding attorneys' fees incurred by either party), shall be borne by the parties equally. The parties agree that statements made during such mediation proceeding will not be admissible for any purpose in any subsequent legal proceeding.

Notwithstanding the foregoing provisions of this Section 23.B, the parties' agreement to mediate will not apply to Disputes which may, in lieu of arbitration, be submitted to any court of competent jurisdiction pursuant to the terms of Section 23.A(e).

C. Governing Law.

This Agreement takes effect upon its acceptance and execution by WCF in California, and shall be governed, interpreted, and construed under the laws of California. In the event of any conflict of law, the laws of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Agreement would not be enforceable under the laws of California, and if the Store is located outside of California and such provision would be enforceable under the laws of the state in which the franchised outlet is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section is intended by the parties to subject this Agreement to any franchise or similar law, rules, or regulation of the state of California to which it would not otherwise be subject.

D Mutual Waiver of Jury Trial**.**

THE PARTIES IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

E Waiver of Punitive Damages.

WITH THE EXCEPTION OF WCF'S RIGHT TO SEEK INDEMNIFICATION FOR THIRD PARTY CLAIMS AS SET FORTH IN THIS AGREEMENT AND WCF'S RIGHT TO SEEK RECOVERY OF LOST FUTURE PROFITS, INCLUDING LIQUIDATED DAMAGES AS SET FORTH IN SECTION 19.D ABOVE, IN THE EVENT OF YOUR BREACH OF THIS AGREEMENT, THE PARTIES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY LOSS OF REVENUES, LOSS OF PROFITS, LOSS OF TIME, INCONVENIENCE, LOSS OF USE, OR ANY OTHER INCIDENTAL, SPECIAL, INDIRECT, EXEMPLARY, PUNITIVE, OR CONSEQUENTIAL LOSS AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

F Remedies Not Exclusive.

Except as stated in Section 19.D and Sections 23.D and 23.E, or otherwise provided explicitly in this Agreement, no right or remedy that the parties have under this Agreement is limited to, any other right or remedy under this Agreement or under applicable law. Every remedy will be in addition to, and not limited to every other remedy available at law or in equity or by statute or otherwise.

G WCF's Right to Injunctive Relief.

Nothing in this Agreement stops WCF's right to obtain injunctive or declaratory relief against a breach or threatened breach of this Agreement that will cause WCF loss or damage. You agree that WCF will not be required to prove actual damages or post a bond or other security in seeking or obtaining injunctive relief (both preliminary and permanent) and/or specific performance with respect to this Agreement.

H Attorneys' Fees and Costs.

If either party commences a legal action against the other party arising out of or in connection with this Agreement, the prevailing party will be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit or proceeding.

I. Contractual Limitations Period.

Any and all claims and actions arising out of or relating to this Agreement, the parties' relationship, or the operation of the Salon (including any defenses and any claims of set-off or recoupment), must be brought or asserted before the expiration of the earlier of ***(a)*** the time period for bringing an action under any applicable state or federal statute of limitations; ***(b)*** one year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or ***(c)*** two years after the first act or omission giving rise to an alleged claim, whichever occurs first; or it is expressly acknowledged and agreed by all parties that such claims or actions shall be irrevocably barred.

J. Electronic Signature.

This Agreement, including all Attachments, may be signed with full force and effect using electronic signatures. By signing via your electronic signature you consent to the legally binding terms and conditions of this Agreement and represent that you are the authorized signatory indicated in each signature block.

24. ACKNOWLEDGMENTS

A. Receipt of FDD.

You hereby acknowledge that you received from WCF the Winnie Couture Franchising Franchise Disclosure Document at least 14 calendar days prior to the execution of this Agreement.
____________ **[Please initial to acknowledge that you have read and understand this Paragraph]**

B. Receipt of Agreement.

You hereby acknowledge that you received from WCF this Agreement with all blanks filled in at least five business days prior to the execution of this Agreement. You represent that you have read this Agreement in its entirety and that you have been given the opportunity to clarify any provisions that you did not understand and to consult with an attorney or other professional advisor. You further represent that you understand the terms, conditions and obligations of this Agreement and agree to be bound thereby. ____________ **[Please initial to acknowledge that you have read and understand this Paragraph]**

C. Independent Investigation.

You acknowledge and represent that you have conducted an independent investigation of all aspects relating to the Franchised Business and recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon your skills and ability as an independent business person. This offering is not a security as that term is defined under applicable federal and state securities laws. __________ **[Please initial to acknowledge that you have read and understand this Paragraph]**

D. No Representations; No Reliance.

You acknowledge and represent that WCF has made no representations, warranties or guarantees, express or implied, as to the potential revenues, profits or services of the business venture contemplated under this Agreement, and that you have not relied on any such representations in making your decision to purchase a WINNIE COUTURE® Salon franchise. You further acknowledge and represent that neither WCF nor its representatives have made any statements inconsistent with the terms of this Agreement. __________________________ **[Please initial to acknowledge that you have read and understand this Paragraph]**

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement on the day and year first above written.

WINNIE COUTURE FRANCHISING	**FRANCHISEE**
a California corporation	______________________________
	a/an ____________________________
By: ____________________	By: ____________________
Name: ____________________	Name: ____________________
Title: ____________________	Title: ____________________

ATTACHMENT A
GLOSSARY OF ADDITIONAL TERMS

Capitalized terms will have the following meanings, unless otherwise defined in this Agreement.

"**Advertising Cooperative**" means a group of WINNIE COUTURE® Salons formed to facilitate marketing and advertising placement in a particular geographic area.

"**Accessories**" means wedding-related items, other than dresses or gowns, which might include headpieces, jewelry, petticoats and other accessories.

"**Affiliate**" means any entity that is wholly or partly owned by another entity, that shares common ownership with another entity, or that has an ownership interest in another entity.

"**Authorized Retailer**" means a specialty retail store or boutique featuring the sale of wedding and wedding-related gowns, dresses and accessories, as well as special occasion dresses, approved by WCF or their Affiliate to offer our Collections and Accessories. "**Business Entity**" means a corporation, limited liability company, limited partnership or other entity created pursuant to statutory authority.

"Collections and Accessories" means our collection of WINNIE COUTURE® designs including, among other lines, bridal gowns, red carpet event and special occasion dresses as well as any additional wedding and wedding-related gowns, dresses, headpieces, jewelry and accessories.

"**Confidential Information**" means all trade secrets, the Standards and other elements of the System; all pricing information, all Customer Information; all information contained in the Manuals; and any other information that WCF designates as "Confidential Information."

"**Customer Information**" means information relating to any customer or prospective customer, including his or her name, address, telephone number, e-mail address, all purchase order information, and all information concerning the event for which the purchase is being made or considered.

~~"**Department Store**" means a retail store with an extensive assortment (width and depth) of goods and services that is organized into separate departments for purposes of buying, promotion, customer service, and control..~~

"Effective Date" means the date this Agreement goes into effect as identified in the Summary Pages to this Agreement.

"Expiration Date" means the date this Agreement expires as identified in the Summary Pages to this Agreement.

"**Franchise Site Application**" means the form of application prescribed by WCF, from time to time, and used to evaluate proposed sites for the Salon premises.

"**Gross Sales**" means the dollar aggregate of: ***(1)*** the sales price of all merchandise, including gowns, dresses, shoes, headpieces and accessories, and the charges for all services you perform, including "rush" fees, fees for customization and alterations, whether made for cash, on credit or otherwise, without reserve or deduction for inability or failure to collect; ***(2)*** insurance proceeds; and ***(3)*** all monies, trade value or other things of value that you receive from Salon operations at, in, or from the Salon premises that are not expressly excluded from Gross Sales. Gross Sales do not include: ***(1)*** the exchange of merchandise between WINNIE COUTURE® Salons (if you operate multiple Salons) if the exchanges are made solely for the convenient operation of your business and not for the purpose of depriving WCF of the benefit of s sale that otherwise would have been made at, in, on or from the Salon premises; ***(2)*** returns to shippers, vendors, or manufacturers; ***(3)*** sales of fixtures or furniture after being used in the conduct of the Franchised Business; ***(4)*** cash or credit refunds for transactions included within Gross Sales (limited, however, to the selling price of merchandise returned by the purchaser and accepted by you); ***(5)*** the amount of any city, county, state or federal sales, luxury or excise tax on such sales that is both ***(A)*** added to the selling price or absorbed therein and ***(B)*** paid to the taxing authority by you. A purchase being returned to the Salon may be deducted from Gross Sales if the purchase was previously included in Gross Sales. "**Person**" means an individual (and the heirs, executors, administrators or other legal representatives of an individual); a partnership, a corporation, a limited liability WCF, a government, or any department or agency thereof, a trust, and any other incorporated or unincorporated association or organization.

"**Immediate Family**" means the spouse of a person, the natural and adoptive parents, natural and adopted siblings, and natural and adopted children of such person and their spouses.

"**Principals**" means ***(1)*** if you are an individual, you and your spouse, ***(2)*** if you are a corporation, any and all direct and indirect holder of your voting securities and your officers and directors, ***(3)*** if you are a limited liability company, your members and managers and each of their direct and indirect owners, ***(4)*** if you are a limited partnership, your general partner and the Principals of your general partner. If any Principal is a Business Entity, then the term "Principal" also includes the Principals of the Business Entity.

"**Site Selection Area**" means the geographical area identified in the Summary Pages to this Agreement.

"**Standards**" means the standards, specifications, policies, procedures and techniques that WCF has developed relating to the location, establishment, operation and promotion of WINNIE COUTURE® Franchised Businesses, all of which may be changed by WCF in its sole discretion. The Standards include, among other things, required and recommended business practices; standards and specifications for store design and appearance; customer service standards; sales techniques and procedures; and other management, operational and accounting procedures.

"**Term**" means a number of years as reflected on the Summary Pages.

"**Designated Area**" means the geographic or other area identified in Attachment B.

ATTACHMENT B
THE SITE SELECTION AREA, FRANCHISED LOCATION, SCHEDULED OPENING DATE AND DESIGNATED AREA

Section 3.A. The Site Selection Area is: ____ ______

IN WITNESS WHEREOF, the parties have executed this Attachment B on this ___ day of _____________, 20___.

WINNIE COUTURE FRANCHISING
a California corporation

By: __________________________________
Name: __________________________________
Title: __________________________________

FRANCHISEE
____
a/an _____________________________________

By: __________________________________
Name: __________________________________
Title: __________________________________

As of the date set forth below, the Approved Location has been determined and, as such, Attachment B is supplemented as follows:

Section 1.A. The Approved Location is at: ____

Section 3.A. and 4.B Scheduled Opening Date is: ____

Section 1.B. The Designated Area is: ____

IN WITNESS WHEREOF, the parties have supplemented this Attachment B on this ____ day of ___________, 20____.

WINNIE COUTURE FRANCHISING
a California corporation

By: __________________________________
Name: __________________________________
Title: __________________________________

FRANCHISEE
____
a/an _____________________________________

By: __________________________________
Name: __________________________________
Title: __________________________________

ATTACHMENT C
STATEMENT OF OWNERSHIP INTERESTS

STATEMENT OF OWNERSHIP INTERESTS AND FRANCHISEE'S PRINCIPALS

A. The following is a list of all shareholders, partners, members or other investors owning a direct or indirect interest in the Franchisee, and a description of the nature of their interest:

NAME	ADDRESS	PERCENT OF OWNERSHIP INTEREST IN FRANCHISEE

B. The following is a list of all of Franchisee's Principals, each of whom shall (unless executing the Undertaking and Guaranty) shall execute the Confidentiality Agreement and Ancillary Covenants Not to Compete substantially in the form set forth in Attachment D to the Franchise Agreement:

____

____

WINNIE COUTURE FRANCHISING
a California corporation

By: ________________________________
Name: ________________________________
Title: ________________________________

FRANCHISEE
____
a/an ____________________________________

By: ________________________________
Name: ________________________________
Title: ________________________________

ATTACHMENT D
UNDERTAKING AND GUARANTY

Each of the undersigned acknowledges and agrees as follows:

(1) Each has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Undertaking and Guaranty and the undertakings of the Principals in the Franchise Agreement are in partial consideration for, and a condition to, the granting of the rights under the Franchise Agreement, and that WCF would not have granted such rights without the execution of this Undertaking and Guaranty and the other undertakings by each of the undersigned;

(2) Each is included in the term "Principal";

(3) Each individually, jointly, and severally, makes all of the covenants, representations, warranties and agreements of the Principals set forth in the Franchise Agreement and is obligated to perform thereunder (including, without limitation, those regarding compliance with the Franchise Agreement in Exhibit C.; the use of confidential information in Section 14, the covenants in Section 14.; transfer provisions in Section 17.; the choice of law and venue provisions in Section 23; and indemnification obligations in Section 20);

(4) Each individually, jointly and severally, unconditionally, and irrevocably guarantees to WCF and its successors and assigns that all obligations of the franchisee under the Franchise Agreement will be punctually paid and performed. Upon default by the franchisee or upon notice from WCF, each Principal will immediately make each payment and perform each obligation required of the franchisee under the Franchise Agreement. Without affecting the obligations of any Principal under this Undertaking and Guaranty, WCF may, without notice to any Principal, waive, renew, extend, modify, amend, or release any indebtedness or obligation of the franchisee or settle, adjust, or compromise any claims that WCF may have against the franchisee. Each Principal waives all demands and notices of every kind with respect to the enforcement of this Undertaking and Guaranty, including notices of presentment, demand for payment or performance by the franchisee, any default by the franchisee or any guarantor, and any release of any guarantor or other security for this Undertaking and Guaranty or the obligations of the franchisee. WCF may pursue its rights against any Principal without first exhausting its remedies against the franchisee and without joining any other guarantor and no delay on the part of WCF in the exercise of any right or remedy will operate as a waiver of the right or remedy, and no single or partial exercise by WCF of any right or remedy will preclude the further exercise of that or any other right or remedy. Upon receipt by WCF of notice of the death of any Principal, the estate of the deceased will be bound by the foregoing Undertaking and Guaranty, but only for defaults and obligations under the Franchise Agreement existing at the time of death, and in that event, the obligations of the Principals who survive such death will continue in full force and effect;

(5) Each also agrees to be bound individually to all of the provisions of the Franchise Agreement including, without limitation, the litigation and dispute resolution provisions set forth in Section 22., and each irrevocably submits to the jurisdiction of the state court situated in county in which Franchisor maintains its principal place of business.

(6) **EACH WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INVOLVING WCF, WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THE FRANCHISE AGREEMENT, THE PERFORMANCE OF ANY PARTY UNDER THE FRANCHISE AGREEMENT, AND/OR THE OFFER OR GRANT OF THE FRANCHISE**.

IN WITNESS WHEREOF, each of the parties hereto, intending to be legally bound, has caused this Undertaking and Guaranty to be executed on the date set forth below.

THE PRINCIPALS

____________________________ _______________________________________
Witness

____________________________ _______________________________________
Witness

ATTACHMENT E
CONFIDENTIALITY AND NONCOMPETITION AGREEMENT
(for employees, shareholders, officers, directors, members and general partners of Franchisee)

In consideration of my being a ________________________ of ________________________ (the "Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. ________________________ doing business as ________________________ (the "**Franchisee**"), has acquired the right and franchise from Winnie Couture Franchising ("**WCF**") to establish and operate a Franchised Business (the "**Franchised Business**") and the right to use in the operation of the Franchised Business WCF trade names, trademarks, service marks, including the service mark WINNIE COUTURE® (the "**Marks**") and the system developed by WCF and/or its affiliates for operation and management of Franchised Businesses (the "**System**"), as they may be changed, improved and further developed from time to time in WCF sole discretion.

2. WCF possesses certain proprietary and confidential information relating to the operation of the System, which includes the Operations Manual, trade secrets and copyrighted materials, methods and other techniques and know-how (the "**Confidential Information**").

3. Any and all manuals, trade secrets, copyrighted materials, methods, information, knowledge, know-how, and techniques which WCF specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

4. As ________________________ of the Franchisee, WCF and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, WCF operations manual (the "**Manual**") and other general assistance during the term of this Agreement.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term hereof, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of WCF, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by WCF as confidential. Unless WCF otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as ________________________ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

7. Except as otherwise approved in writing by WCF, I shall not, while in my position with the Franchisee and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, and continuing for three (3) years thereafter, either directly or indirectly, for myself or through, on behalf of, or in conjunction with any other person, partnership, corporation or other limited liability WCF own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to or have any interest in any business in which the sale of wedding and wedding-related gowns, dresses and accessories, and special occasion dresses, comprise more than 5% of total sales in the Designated Area or within a radius of ten (10) miles of any WINNIE COUTURE® Salon as that term is defined in the Franchise Agreement. This restriction

does not apply to my ownership of less than five percent beneficial interest in the outstanding securities of any publicly-held corporation.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which WCF is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that WCF shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. WCF is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause WCF and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or WCF may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and WCF all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and WCF, any claim I have against the Franchisee or WCF is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. This Agreement shall be construed under the laws of the State in which the Franchised Business is located. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

12. With respect to all claims, controversies and disputes, I irrevocably consent to personal jurisdiction and submit myself to the jurisdiction of the state and federal courts located in the county in which Franchisee maintains its principal business address. I acknowledge that this Agreement has been entered into in the State in which the Franchisee maintains its principal business address, and that I am to receive valuable information emanating from ~~WFC~~WCF. I acknowledge and agree that WCF may bring and maintain an action against me in any court of competent jurisdiction for injunctive or other extraordinary relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions.

THE PARTIES HERETO, INTENDING TO BE LEGALLY BOUND, HAVE EXECUTED THIS AGREEMENT THE DAY AND YEAR FIRST ABOVE WRITTEN.

Signature:________________________________
Name:________________________________
Address:________________________________
Title:________________________________

ACKNOWLEDGED BY FRANCHISEE

By:________________________________
Name: ________________________________
Title: ________________________________

ATTACHMENT F
COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned ("**Assignor**") assigns, transfers and sets over to Winnie Couture Franchising, a California corporation ("**Assignee**"), all of Assignor's right and title to and interest in that certain "Lease" a copy of which is attached as Exhibit A respecting premises commonly known as ________________________________. This assignment is for collateral purposes only and except as specified in this document Assignee will have no liability or obligation of any kind whatsoever arising from or in connection with this assignment or the Lease unless and until Assignee takes possession of the premises the Lease demises according to the terms of this document and assumes Assignor's obligations under the Lease.

Assignor represents and warrants to Assignee that it has full power and authority to assign the Lease and that Assignor has not previously assigned or transferred and is not otherwise obligated to assign or transfer any of its interest in the Lease or the premises it demises.

Upon Assignor's default under the Lease or under the "Franchise Agreement" for a WINNIE COUTURE® Salon between Assignee and Assignor or in the event Assignor defaults under any document or instrument securing the Franchise Agreement Assignee has the right to take possession of the premises the Lease demises and expel Assignor from the premises. In that event Assignor will have no further right and title to or interest in the Lease but will remain liable to Assignee for any past due rental payments or other charges Assignee is required to pay Lessor to effectuate the assignment this document contemplates.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without Assignee's prior written consent. Throughout the term of the Franchise Agreement Assignor agrees that it will elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days before the last day upon which the option must be exercised unless Assignee agrees otherwise in writing. Upon Assignee's failure to agree otherwise in writing and upon Assignor's failure to elect to extend or renew the Lease as required Assignor appoints Assignee as its true and lawful attorney-in-fact with the authority to exercise the extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting the extension or renewal.

ASSIGNEE:	**ASSIGNOR:**
Winnie Couture Franchising a California corporation	__________________________
By:_______________________	By:_______________________
Name:_____________________	Name:_____________________
Title:_____________________	Title:_____________________
Date:_____________________	Date:_____________________

ATTACHMENT G
ELECTRONIC DEBIT AUTHORIZATION
Authorization Agreement for Direct Payments (ACH Debits)

I (we) hereby authorize Winnie Couture Franchising, hereinafter called WCF, to initiate debit entries to my (our) ☐ Checking Account/ ☐ Savings Account (select one) indicated below at the depository financial institution named below, hereafter called DEPOSITORY, and to debit the same to such account. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law.

Depository Name:________________ Branch:___________________

City:________________ State:________________ Zip:____________

Routing Number:_________________ Account Number:________________

This authorization is remain in full force and effect until WCF has received written notification from me (or either of us) or its termination in such time and in such manner as to afford WCF and DEPOSITOR a reasonable opportunity to act on it.

Name(s):_____________________________ ID Number:________________
(Please Print)

Date:________________ Signature:_________________________________

NOTE: DEBIT AUTHORIZATIONS MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION

ATTACHMENT H
TELEPHONE ASSIGNMENT AGREEMENT

THIS TELEPHONE ASSIGNMENT AGREEMENT is made as of this ____ day of ____________, 20____ by and between ____ (hereinafter the "Assignor") and **Winnie Couture Franchising** (hereinafter the "assignee").

WITNESSETH:

WHEREAS, the Assignee has developed and owns the proprietary system ("System") for the operation of a store under the trademark and logo WINNIE COUTURE® (the "Franchised Business");

WHEREAS, the Assignor has been granted a license to operate a Franchised Business pursuant to a Franchise Agreement dated ____________________, in accordance with the System;

WHEREAS, in order to operate its Franchised Business, the Assignor shall be acquiring one or more telephone numbers, telephone listings and telephone directory advertisements; and

WHEREAS, as a condition to the execution of the Franchise Agreement, the Assignee has required that the Assignor assign all of its right, title and interest in its telephone numbers, telephone listings and telephone directory advertisements to the Assignee in the event of a termination of the Franchise Agreement;

NOW, THEREFORE, in consideration of the foregoing, the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Assignment. In the event of termination of the Franchise Agreement, and in order to secure continuity and stability of the operation of the System, the Assignor hereby sells, assigns, transfers and conveys to the Assignee all of its rights, title and interest in and to certain telephone numbers, telephone listings and telephone directory advertisements pursuant to which Assignor shall operate its Franchised Business in accordance with the terms of the Franchise Agreement; provided, however, such Assignment shall not be effective unless and until the Franchise Agreement is terminated in accordance with the provisions thereof.

2. Representation and Warranties of the Assignor. The Assignor hereby represents, warrants and covenants to the Assignee that:

(a) As of the effective date of the Assignment, all of the Assignor's obligations and indebtedness for telephone, telephone listing services and telephone directory advertisement services shall be paid and current;

(b) As of the date hereof, the Assignor has full power and legal right to enter into, execute, deliver and perform this Agreement;

(c) This Agreement is a legal and binding obligation of the Assignor, enforceable in accordance with the terms hereof;

(d) The execution, delivery and performance of this Assignment does not conflict with, violate, breach or constitute a default under any contract, agreement or instrument to which the Assignor is a party or by which the Assignor is bound, and no consent of nor approval by any third party is required in connection herewith; and

(e) The Assignor has the specific power to assign and transfer its right, title and interest in its telephone numbers, telephone listings and telephone directory advertisements, and the Assignor has obtained all necessary consents to this Assignment.

3. Miscellaneous. The validity, construction and performance of this Assignment shall be governed by the laws of the State of California. All agreements, covenants, representations and warranties made herein shall survive the execution hereof. All rights of the Assignee shall inure to its benefit and to the benefit of its successors and assigns.

IN WITNESS WHEREOF, each of the parties has executed this Assignment as of the day and year first written above.

ASSIGNEE:

Winnie Couture Franchising
a California corporation

By: ______________________________
Name: ______________________________
Title: ______________________________

ASSIGNOR:

____

By: ______________________________
Name: ______________________________
Title: ______________________________

EXHIBIT D
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OPERATIONS MANUAL
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- Markets
- Criteria
- Negotiation

EXHIBIT E
FINANCIAL STATEMENTS

WINNIE COUTURE FRANCHISING
Balance Sheet
As of March 31, 2019

		Mar 31, 19
ASSETS		
Current Assets		
Checking/Savings		
10000 · Banks		
10010 · Bank of America xxx-9105	64,041.61	
Total 10000 · Banks		64,041.61
Total Checking/Savings		64,041.61
Total Current Assets		64,041.61
TOTAL ASSETS		**64,041.61**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Credit Cards		
20000 · Credit Cards		
20010 · Chase Credit Card x6775 / 4140	673.79	
Total 20000 · Credit Cards		673.79
Total Credit Cards		673.79
Other Current Liabilities		
24000 · Payroll Liabilities		
24020 · Payroll Tax Payable	201.88	
Total 24000 · Payroll Liabilities		201.88
28000 · Loan from Others		
28010 · Winnie Couture Atlanta ck 1899	10,000.00	
Total 28000 · Loan from Others		10,000.00
28030 · Shareholder Loan		
28020 · Loan from Chris xxx-3714	7,000.00	
28030 · Shareholder Loan - Other	5,100.00	
Total 28030 · Shareholder Loan		12,100.00
Total Other Current Liabilities		22,301.88
Total Current Liabilities		22,975.67
Total Liabilities		22,975.67
Equity		
30100 · Capital Stock		10,000.00
32000 · Retained Earnings		-9,490.29
Net Income		40,556.23
Total Equity		41,065.94
TOTAL LIABILITIES & EQUITY		**64,041.61**

WINNIE COUTURE FRANCHISING
Profit & Loss
March 2019

		Mar 19
Ordinary Income/Expense		
Expense		
66000 · Payroll Expenses		
66020 · Wages and Salaries	2,309.19	
66030 · Payroll Taxes	271.33	
66040 · Payroll Processing Fee	1.75	
Total 66000 · Payroll Expenses		2,582.27
66700 · Professional Fees		
66702 · Legal Fees	46.50	
Total 66700 · Professional Fees		46.50
Total Expense		2,628.77
Net Ordinary Income		-2,628.77
Net Income		**-2,628.77**

Financial Statements and
Independent Accountants' Audit Report

WINNIE COUTURE FRANCHISING

As of and for the year ended December 31, 2018 and 2017

One Stop Accountancy Inc.
Certified Public Accountants

17870 Castleton Street Suite 363, City of Industry, CA 91748 Tel: 626-357-8988 F: 626-371-9248
www.onestoptaxaccountancy.com

Winnie Couture Franchising

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INDEPENDENT AUDITOR'S REPORT

To Management of
Winnie Couture Franchising
Beverly Hills, CA 90210

We have audited the accompanying balance sheets of Winnie Couture Franchising (the "Company") as of December 31, 2018 and 2017, and the related statements of operation, retained earnings, and cash flow for the two years ended December 31, 2018.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financials in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Winnie Couture Franchising as of December 31, 2018 and 2017 and the results of its operation and its cash flow for the two years ended December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

One Stop Accountancy Inc.

May 10, 2019

City of Industry, California

BALANCE SHEETS

	DECEMBER 31, 2018	DECEMBER 31, 2017
ASSETS		
Cash and cash equivalents	$ 23,284	$ 4,780
Total Assets	$ 23,284	$ 4,780
LIABILITIES AND SHAREHOLDER'S DEFICIT		
Accrued Expense	$ 1,800	$ -
Unearned Revenue, current	4,050	-
Shareholder Loan	21,045	15,514
Current Liabilities	26,895	15,514
Unearned Revenue	35,100	-
Total Liabilities	61,995	15,514
Shareholder's deficit:		
Common stock, par value $1 per share, 10,000 shares authorized; 10,000 shares issued and outstanding	10,000	10,000
Accumulated deficit	(48,711)	(20,734)
Total Shareholder's Deficit	(38,711)	(10,734)
Total Liabilities and Shareholder's Deficit	$ 23,284	$ 4,780

See independent accountants' audit report and accompanying notes.

STATEMENTS OF OPERATION

	YEAR ENDED DECEMBER 31, 2018	YEAR ENDED DECEMBER 31, 2017
Revenue	$ 1,350	$ -
Cost of Revenue	-	-
Gross Profit	1,350	-
General and Administration Expenses:		
Commission	18,000	-
Professional fees	10,205	6,482
Repairs and Maintenance	218	-
Office supplies	41	407
Penalty	-	250
Bank service charges	63	128
Meal and entertainment	-	7
Total General and Administration Expenses	28,527	7,274
Loss before income taxes	(27,177)	(7,274)
Income taxes	800	800
Net Loss	$ (27,977)	$ (8,074)

See independent accountants' audit report and accompanying notes.

STATEMENTS OF SHAREHOLDER'S DEFICIT

	Common Stock Shares	Common Stock ($)	Accumulated Deficit	Total Shareholder's Deficit
Balance, December 31, 2016	10,000	$ 10,000	$ (12,660)	$ (2,660)
Net loss	-	-	(8,074)	(8,074)
Balance, December 31, 2017	10,000	10,000	(20,734)	(10,734)
Net loss	-	-	(27,977)	(27,977)
Balance, December 31, 2018	10,000	$ 10,000	$ (48,711)	$ (38,711)

See independent accountants' audit report and accompanying notes.

STATEMENTS OF CASH FLOW

	YEAR ENDED DECEMBER 31,	
	2018	2017
Cash flow from operating activities:		
Net Loss	$ (27,977)	$ (8,074)
Changes in operating assets and liabilities:		
Accrued expense	1,800	-
Unearned revenue	39,150	-
Net cash used in operating activities	12,973	(8,074)
Cash flows from financing activities:		
Proceeds from shareholder loan	5,531	10,414
Net cash provided by investing activities	5,531	10,414
Net increase in cash	18,504	2,340
Cash and cash equivalents, beginning of the year	4,780	2,440
Cash and cash equivalents, end of the year	$ 23,284	$ 4,780
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	$ -	$ -
Income tax	$ 800	$ 800

See independent accountants' audit report and accompanying notes.

Winnie Couture Franchising

Notes to Financial Statements
For the Year Ended December 31, 2018 and 2017

1. Organization and Business

Winnie Couture Franchising (the "Company") was incorporated under the laws of the State of California in April, 2016 ("Inception"). Winnie Couture Franchising is a high-end attire brand with a modern mix of classic elegant and sophisticated couture. It blends femininity and luxury to create bridal attire silhouettes that are flattering and timeless.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America and are presented in US dollars.

Accounting Basis

The Company uses the accrual basis of accounting and has adopted a December 31 fiscal year end.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the U.S requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the financial statement date, and reported amounts of revenue and expenses during the reporting period. Significant estimates are used in valuing the fair value of common stock issued for services, among others. Actual results could differ from these estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid assets purchased with an original maturity of three months or less. The carrying amounts reported on the balance sheet for cash and cash equivalents approximate fair value. The Company maintains a majority of its cash and cash equivalents with two financial institutions, and at times, amounts may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

The Company maintains cash in Bank of America located in California. Up to $250,000 of the balance in this bank is insured by the U.S. Federal Deposit Insurance Corporation (FDIC). As of December 31, 2018 and 2017, insured balances totaled approximately $23,284 and $4,780, respectively.

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Company recognizes revenue when (1) delivery of product has occurred or services have been rendered, (2) there is persuasive evidence of a sale arrangement, (3) selling prices are fixed or determinable, and (4) collectability from the customer is reasonably assured.

Income Taxes

Income taxes are accounted for using the asset and liability method. Deferred income taxes are provided for temporary differences in recognizing certain income, expense and credit items for financial reporting purposes and tax reporting purposes. Such deferred income taxes primarily relate to the difference between the tax basis of assets and liabilities and their financial reporting amounts. Deferred tax assets and liabilities are measured by applying enacted statutory tax rates applicable to the future years in which deferred tax assets or liabilities are expected to be settled or realized.

Recently Issued Accounting Pronouncements

Management has considered all recent accounting pronouncements issued since the last audit of the Company's financial statements. The Company's management believes that these recent pronouncements will not have a material effect on the Company's financial statements.

3. Shareholder Loan

The Company has shareholder loan amount of $21,045 and $15,514 as of December 31, 2018 and 2017, respectively. This loan is unsecured, non-interest bearing and due on demand loan.

4. Major Customer

The Company has only one major customer who accounted for 100% of the Company's total revenue.

5. Subsequent Events

Through May 10, 2018, there is no any significant event that is required to be disclosed.

WINNIE COUTURE FRANCHISING
Balance Sheet
As of April 30, 2018

06/05/18
Accrual Basis

		Apr 30, 18
ASSETS		
Current Assets		
Checking/Savings		
10000 · Banks		
10010 · Bank of America xxx-9105	2,755.00	
Total 10000 · Banks		2,755.00
Total Checking/Savings		2,755.00
Total Current Assets		2,755.00
TOTAL ASSETS		**2,755.00**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Credit Cards		
20000 · Credit Cards		
20010 · Chase Credit Card x6775 / 4140	673.79	
Total 20000 · Credit Cards		673.79
Total Credit Cards		673.79
Other Current Liabilities		
28000 · Loan from Others		
28010 · Winnie Couture Atlanta ck 1899	-90,000.00	
Total 28000 · Loan from Others		-90,000.00
28030 · Shareholder Loan		5,100.00
Total Other Current Liabilities		-84,900.00
Total Current Liabilities		-84,226.21
Total Liabilities		-84,226.21
Equity		
30100 · Capital Stock		10,000.00
30300 · Owner Contribution		100,000.00
32000 · Retained Earnings		-20,734.39
Net Income		-2,284.40
Total Equity		86,981.21
TOTAL LIABILITIES & EQUITY		**2,755.00**

WINNIE COUTURE FRANCHISING
Profit & Loss
January through April 2018

06/05/18
Accrual Basis

	Jan - Apr 18
Ordinary Income/Expense	
Cost of Goods Sold	
51010 · Operating Supplies	41.49
Total COGS	41.49
Gross Profit	-41.49
Expense	
66700 · Professional Fees	2,025.00
67200 · Repairs and Maintenance	217.91
Total Expense	2,242.91
Net Ordinary Income	-2,284.40
Net Income	**-2,284.40**

Financial Statements and
Independent Accountants' Audit Report

WINNIE COUTURE FRANCHISING

As of and for the year ended December 31, 2017and 2016

One Stop Accountancy Inc.
Certified Public Accountants

17870 Castleton Street Suite 363, City of Industry, CA 91748 Tel: 626-357-8988 F: 626-371-9248
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Winnie Couture Franchising

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One Stop Accountancy Inc.

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To Management of
Winnie Couture Franchising
Beverly Hills, CA 90210

We have audited the accompanying balance sheets of Winnie Couture Franchising (the "Company") as of December 31, 2017 and 2016, and the related statements of operation, retained earnings, and cash flow for the two years ended December 31, 2017.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financials in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Winnie Couture Franchising as of December 31, 2017 and 2016 and the results of its operation and its cash flow for the two years ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

One Stop Accountancy Inc.

May 25, 2018

City of Industry, California

WINNIE COUTURE FRANCHISING

BALANCE SHEETS

	DECEMBER 31, 2017	DECEMBER 31, 2016
ASSETS		
Cash and cash equivalents	$ 4,780	$ 2,440
Total Assets	$ 4,780	$ 2,440
LIABILITIES AND SHAREHOLDER'S DEFICIT		
Shareholder Loan	$ 15,514	$ 5,100
Total Liabilities	15,514	5,100
Shareholder's deficit:		
Common stock, par value $1 per share, 10,000 shares authorized; 10,000 shares issued and outstanding	10,000	10,000
Accumulated deficit	(20,734)	(12,660)
Total Shareholder's Deficit	(10,734)	(2,660)
Total Liabilities and Shareholder's Deficit	$ 4,780	$ 2,440

See independent accountants' audit report and accompanying notes.

WINNIE COUTURE FRANCHISING

STATEMENTS OF OPERATION

	YEAR ENDED DECEMBER 31, 2017	2016
Net Sales	$ -	$ -
Cost of Sales	-	-
Gross Profit	-	-
General and Administration Expenses:		
Professional fees	6,482	12,595
Office supplies	407	-
Penalty	250	-
Bank service charges	128	65
Meal and entertainment	7	-
Total General and Administration Expenses	7,274	12,660
Loss before income taxes	(7,274)	(12,660)
Income taxes	800	-
Net Loss	$ (8,074)	$ (12,660)

See independent accountants' audit report and accompanying notes.

WINNIE COUTURE FRANCHISING

STATEMENTS OF SHAREHOLDER'S DEFICIT

	Common Stock Shares	Common Stock ($)	Accumulated Deficit	Total Shareholder's Deficit
Balance, January 1, 2016	-	$ -	$ -	$ -
Shares issuance	10,000	10,000	-	10,000
Net loss	-	-	(12,660)	(12,660)
Balance, December 31, 2016	10,000	10,000	(12,660)	(2,660)
Net loss	-	-	(8,074)	(8,074)
Balance, December 31, 2017	10,000	$ 10,000	$ (20,734)	$ (10,734)

See independent accountants' audit report and accompanying notes.

WINNIE COUTURE FRANCHISING

STATEMENTS OF CASH FLOW

	YEAR ENDED DECEMBER 31,	
	2017	**2016**
Cash flow from operating activities:		
Net Loss	$ (8,074)	$ (12,660)
Net cash used in operating activities	(8,074)	(12,660)
Cash flows from financing activities:		
Shareholder's capital contribution	-	10,000
Proceeds from shareholder loan	10,414	5,100
Net cash provided by investing activities	10,414	15,100
Net increase in cash	2,340	2,440
Cash and cash equivalents, beginning of the year	2,440	-
Cash and cash equivalents, end of the year	$ 4,780	$ 2,440
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	$ -	$ -
Income tax	$ 800	$ -

See independent accountants' audit report and accompanying notes.

Winnie Couture Franchising

Notes to Financial Statements
For the Year Ended December 31, 2017 and 2016

1. Organization and Business

Winnie Couture Franchising (the "Company") was incorporated under the laws of the State of California in April, 2016 ("Inception"). Winnie Couture Franchising is a high-end attire brand with a modern mix of classic elegant and sophisticated couture. It blends femininity and luxury to create bridal attire silhouettes that are flattering and timeless.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America and are presented in US dollars.

Accounting Basis

The Company uses the accrual basis of accounting and has adopted a December 31 fiscal year end.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the U.S requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the financial statement date, and reported amounts of revenue and expenses during the reporting period. Significant estimates are used in valuing the fair value of common stock issued for services, among others. Actual results could differ from these estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid assets purchased with an original maturity of three months or less. The carrying amounts reported on the balance sheet for cash and cash equivalents approximate fair value. The Company maintains a majority of its cash and cash equivalents with two financial institutions, and at times, amounts may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

The Company maintains cash in Bank of America located in California. Up to $250,000 of the balance in this bank is insured by the U.S. Federal Deposit Insurance Corporation (FDIC). As of December 31, 2017 and 2016, insured balances totaled approximately $4,780 and $2,440, respectively.

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Company recognizes revenue when (1) delivery of product has occurred or services have been rendered, (2) there is persuasive evidence of a sale arrangement, (3) selling prices are fixed or determinable, and (4) collectability from the customer is reasonably assured.

Income Taxes

Income taxes are accounted for using the asset and liability method. Deferred income taxes are provided for temporary differences in recognizing certain income, expense and credit items for financial reporting purposes and tax reporting purposes. Such deferred income taxes primarily relate to the difference between the tax basis of assets and liabilities and their financial reporting amounts. Deferred tax assets and liabilities are measured by applying enacted statutory tax rates applicable to the future years in which deferred tax assets or liabilities are expected to be settled or realized.

Recently Issued Accounting Pronouncements

Management has considered all recent accounting pronouncements issued since the last audit of the Company's financial statements. The Company's management believes that these recent pronouncements will not have a material effect on the Company's financial statements.

3. Shareholder Loan

The Company has shareholder loan amount of $15,514 and $5,100 as of December 31, 2017 and 2016, respectively. This loan is unsecured, non-interest bearing and due on demand loan.

4. Subsequent Events

Through May 25, 2018, there is no any significant event that is required to be disclosed.

EXHIBIT F
GENERAL RELEASE

GENERAL RELEASE

RELEASOR, hereby releases and discharges Winnie Couture Franchising, and its respective present and former officers, directors, shareholders, members, managers and employees (in their individual and corporate capacities), and their respective heirs, successors and assigns (collectively, the RELEASEES), from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law or equity, which RELEASOR has, had or claims to have against the RELEASEES which arise out of or relate to the franchise agreement between RELEASOR and Winnie Couture Franchising, including and the offer and sale of the Franchised Business including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below.

FRANCHISOR:	**FRANCHISEE:**
Winnie Couture Franchising, a California corporation	
By: ______________________________	By: ______________________________
Name: ______________________________	Name: ______________________________
Title: ______________________________	Title: ______________________________

EXHIBIT G
FRANCHISE DISCLOSURE QUESTIONNAIRE

FRANCHISE DISCLOSURE QUESTIONNAIRE

As you know, Winnie Couture Franchising ("we" or "us"), and you are preparing to enter into a Franchise Agreement for the operation of a WINNIE COUTURE® Salon franchise. The purposes of this Questionnaire are to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document but you must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer on the back of this sheet.

Yes____ No ____	1. Have you received and personally reviewed the Franchise Agreement and each exhibit or schedule attached to it?
Yes____ No ____	2. Have you received and personally reviewed the Franchise Disclosure Document we provided?
Yes____ No ____	3. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
Yes____ No ____	4. Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
Yes____ No ____	5. A) Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor?
Yes____ No ____	B) Have you discussed the benefits and risks of operating a WINNIE COUTURE® Salon franchise with your professional advisor?
Yes____ No ____	C) Did you discuss the benefits and risks of operating a WINNIE COUTURE® Salon franchise with an existing WINNIE COUTURE® Salon franchisee?
Yes____ No ____	6. Do you understand the risks of operating a WINNIE COUTURE® Salon franchise?
Yes____ No ____	7. Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the person you employ, as well as many factors beyond your control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?
Yes____ No ____	8. Do you understand we are not obligated to provide assistance to you in finding and securing a location for your WINNIE COUTURE® Salon?
Yes____ No ____	9. A) Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be brought in a state or federal court that service the address we maintain as our principal business address if not resolved informally?
Yes____ No ____	B) Do you understand the Franchise Agreement provides you can only collect compensatory damages on any claim under or relating to the Franchise Agreement, and not any punitive, exemplary or multiple damages)?

Yes____ No ____	10. Do you understand we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises?
Yes____ No ____	11. A) Do you understand that the US Government has enacted anti-terrorist legislation that prevents us from carrying on business with any suspected terrorist or anyone associated directly or indirectly with terrorist activities?
Yes____ No ____	B) Is it true that you have never been a suspected terrorist or associated directly or indirectly with terrorist activities?
Yes____ No ____	C) Do you understand that we will not approve your purchase of a Winnie Couture® franchise if you are a suspected terrorist or associated directly or indirectly with terrorist activity?
Yes____ No ____	D) Is it true that you are not purchasing a WINNIE COUTURE® Salon franchise with the intent or purpose of violating any anti-terrorism law, or for obtaining money to be contributed to a terrorist organization?
Yes____ No ____	12. Is it true no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a WINNIE COUTURE® Salon franchise that is not contained in the Offering Circular or that is contrary to, or different from, the information contained in the Disclosure Document?
Yes____ No ____	13. Is it true no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a WINNIE COUTURE® Salon franchise will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?
Yes____ No ____	14. Is it true no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in our Franchise Agreement, concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Disclosure Document?
Yes____ No ____	15. Do you understand that the Franchise Agreement contains the entire agreement between us and you concerning the franchise for the Salon, meaning any prior oral or written statements not set out in the Franchise Agreement will not be binding?

THIS COMPLIANCE QUESTIONNAIRE MAY BE COMPLETED AND SIGNED WITH FULL FORCE AND EFFECT USING ELECTRONIC FIELD INPUTS AND SIGNATURES:

Dated:____________________

____
Individually and as an Officer

____
Printed Name

of____

(a_______________________________)

EXHIBIT H
LIST OF FRANCHISEES

LIST OF FRANCHISEES
~~*As of December 31, 2017 and*~~
FRANCHISEES WITH OUTLETS OPEN
AS OF DECEMBER *31, 2018*

State	Name	Address	Telephone Number
None.			

FRANCHISEES WITH OUTLETS THAT OPENED
DURING THE PERIOD BEGINNING
JANUARY 1, 2019 THORUGH MAY 31, 2019

State	Name	Address	Telephone Number
None.			

FRANCHISEES
WITH FRANCHISE AGREEMENT SIGNED BUT
~~*As of March 30, 2018*~~**OUTLET NOT OPENED AS OF DECEMBER 31, 2018**

State	Name	Address	Telephone Number
Massachusetts	Kristin Zona KEZ Investments	388 Sharon Street Providence, RI 02908	(603)-505-5674

FRANCHISEES WITH FRANCHISE AGREEMENT SIGNED DURING THE PERIOD JANUARY 1, 2019 THROUGH MARCH 31, 2019 BUT OUTLET NOT OPEN AS OF MARCH 31, 2019

State	Name	Address	Telephone Number
Tennessee	Courtney Robinson Robinson & Johnson Holdings, LLC	2020 Coppice CT Milton, GA 30004	(678)-823-5522
California	Sunny Wong & Eric So 2 Players Inc.	492 Alvarez Common Milpitas, CA 95035	(626)-823-2893

LIST OF FRANCHISEES WHO LEFT THE SYSTEM
AS OF DECEMBER 31, 2018

~~NONE.~~The following is a list of Franchisees who were terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under their franchise agreement as of December 31, 2018, or who have not communicated with us within the last 10 weeks.

None.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise System.

EXHIBIT I
RECEIPTS

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 Winnie Couture Franchising offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law.

Applicable state laws in (a) Michigan requires us to provide you the disclosure document at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale and (b) New York and Rhode Island require us to provide you the disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Winnie Couture Franchising 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (as listed in Exhibit H to this disclosure document).

The franchisor is Winnie Couture Franchising, 9437 S. Santa Monica Blvd., Beverly Hills, California 90210. Its telephone number is 866-350-1348.

Issuance Date: June ~~13, 2018~~21, 2019

The franchise seller for this offering is:

Name	Principal Business Address	Telephone Number
Chris Lee	9437 S. Santa Monica Blvd., Beverly Hills, CA 90210	866-350-1348

I received a disclosure document with an issuance date of ____________________, ~~2018.~~2019. State registration effective dates are listed on the State Effective Dates page contained in this disclosure document. The disclosure document included the following Exhibits:

EXHIBIT A List of State Administrators
EXHIBIT B Agents for Service of Process
EXHIBIT C Franchise Agreement
EXHIBIT D Table of Contents of Operations Manual
EXHIBIT E Financial Statements
EXHIBIT F General Release
EXHIBIT G Franchise Disclosure Questionnaire
EXHIBIT H List of Franchisees
EXHIBIT I Receipts

Dated:______________________ Dated:______________________

___________________________ ___________________________
Printed Name Printed name

___________________________ ___________________________
Signed, individually and as an officer of
______(a Corporation)
______(a Partnership)
______(a Limited Liability Company)

Signed, individually and as an officer of
______(a Corporation)
______(a Partnership)
______(a Limited Liability Company)

[Please return this completed form to Winnie Couture Franchising by DocuSign electronic signature

method]

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EXHIBIT H List of Franchisees
EXHIBIT I Receipts

Dated:______________________ Dated:______________________

__________________________ __________________________

Printed Name Printed name

__________________________ __________________________

Signed, individually and as an officer of
______(a Corporation)
______(a Partnership)
______(a Limited Liability Company)

Signed, individually and as an officer of
______(a Corporation)
______(a Partnership)
______(a Limited Liability Company)

Please Sign and Keep This Copy for Your Records

Document comparison by Workshare Compare on Thursday, June 27, 2019 8:23:20 PM

Input:	
Document 1 ID	netdocuments://4832-1629-7883/1
Description	Winnie Couture 2018 FDD v.2
Document 2 ID	netdocuments://4834-8506-1019/1
Description	Winnie Couture 2019 FDD v.1
Rendering set	Standard no moves

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	323
Deletions	252
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	575