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April 29, 2024

Ms. Rebecca Brubaker Commerce Analyst I Minnesota Department of Commerce 85 – 7th Place East, Suite 280 St. Paul, MN 55101-2198

VIA ELECTRONIC FILING

Re: Response to Comment Letter for:

Amazing Lash Franchise, LLC (the "Franchisor")

File No. 8741

Dear Ms. Brubaker:

I am in receipt of your comment letter dated April 16, 2024. The Franchisor has elected to defer payment of initial franchise fees until business opens. In response to your second comment, attached are revised franchise seller forms. We have made the requested changes and have submitted the changed pages electronically.

If you have any questions or comments, please feel free to contact me.

Very truly yours,

Elizabeth S. Dillon

Elizabeth S. Dillon

ESD/mdr Enclosure

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concern. To the extent that the Franchise Agreement is inconsistent with the Minnesota law, the Minnesota law will control.

To the extent that any condition, stipulation or provision contained in the Franchise Agreement (including any choice of law provision) purports to bind any person who, at the time of acquiring a franchise is a resident of Minnesota, or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota to waive compliance with the Minnesota Franchises law, such condition, stipulation or provision may be void and unenforceable under the nonwaiver provision of the Minnesota Franchises Law.

Minn Stat §80C 21 and Minn Rule 2860 4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Specifically, we cannot require you to consent to us obtaining injunctive relief; however, we may seek such relief through the court system.

Minn Rule 2860 4400J prohibits us from, requiring you to assent to a general release. To the extent that the Agreement requires you to sign a general release as a condition of renewal or transfer, the Franchise Agreement will be considered amended to the extent necessary to comply with Minnesota law.

Minn Stat §604 113 sets a cap of \$30 on fees to be paid to us if any check, draft, electronic or otherwise, is returned for insufficient funds.

Item 5:

Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business.

We will defer collection of the Development Fee, and will collect a pro rata portion of the Development Fee for each Studio required to be developed under the Development Agreement at the time we have fulfilled our initial pre-opening obligations to you and you have opened that Studio..

2. The following paragraph is added to the Disclosure Document:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

NEW YORK

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. The following information is added to the cover page of the Franchise Disclosure Document.

RIDER TO THE FRANCHISE AGREEMENT FOR USE IN MINNESOTA

THIS RIDER is made and entered into by and between **AMAZING LASH FRANCHISE**, **LLC**, a Delaware limited liability company with our principal business address at 1890 Wynkoop Street, Unit 1, Denver, Colorado 80202 ("Franchisor," "we," "us," or "our") and [FRANCHISEE], having its principal business address at [ADDRESS] ("Franchisee," "you," or "your").

- 1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated ______ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Amazing Lash Studio that you will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota.
- 2. **RENEWAL AND TERMINATION**. The following is added to the end of Sections 1.A. ("Grant and Term of Franchise") and Section 14.B. ("Termination by Us") of the Franchise Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

3. **INITIAL FEE**. The following is added to the end of Section 3.A. ("Initial Franchise Fee") of the Franchise Agreement:

<u>Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business.</u>

4. 3. RELEASES. The following is added to the end of Section 12.C.3 ("Conditions for Approval of Transfer"), Section 12.D. ("Transfer to a Wholly Owned Entity"), Section 13.A.5 ("Your Right to Acquire a Successor Franchise"), and Section 15.E. ("Our Right to Purchase Your Studio") of the Franchise Agreement:

Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

5. 4. <u>MARKS</u>. The following sentence is added to the end of Section 5.E. ("Indemnification for Use of Marks") of the Franchise Agreement:

Provided you have complied with all provisions of this Agreement applicable to the Marks, we will protect your right to use the Marks and will indemnify you from any loss, costs or expenses arising out of any claims, suits or demands regarding your use of the Marks in accordance with Minn. Stat. Sec. 80C 12, Subd. 1(g).

6. 5. LIQUIDATED DAMAGES. The following language is added to the end of Section 15.B. of the Franchise Agreement:

We and you acknowledge that certain parts of this provision might not be enforceable

under Minn. Rule Part 2860.4400J. However, we and you agree to enforce the provision to the extent the law allows.

7. 6. GOVERNING LAW. The following statement is added at the end of Section 17.G. of the Franchise Agreement:

Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

8. 7. CONSENT TO JURISDICTION. The following language is added to the end of Section 17.H. of the Franchise Agreement:

Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400(J) prohibit us, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your rights to any procedure, forum or remedies that the laws of the jurisdiction provide.

- 9. 8. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL. If and then only to the extent required by the Minnesota Franchises Law, Section 17.I. ("Waiver of Punitive Damages and Jury Trial") of the Franchise Agreement is deleted.
- 10. 9. LIMITATIONS OF CLAIMS. The following is added to the end of Section 17.L. of the Franchise Agreement:

Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

11. 10. INJUNCTIVE RELIEF. Section 17.J. of the Franchise Agreement is deleted in its entirety and modified as follows:

Nothing in this Agreement, including the provisions of Section 17.F., bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the Franchise System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby). A court will determine if a bond is required.

12. 11. REMEDIES OF PARTIES ARE CUMULATIVE. The following language is added to the end of Section 17.E. of the Franchise Agreement:

We and you acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400(J). However, we and you agree to enforce the provision to the extent the law allows.

13. 12. STATEMENTS, QUESTIONNAIRES, AND ACKNOWLEDGMENTS.

The following paragraph is added to the end of the Franchise Agreement:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

[SIGNATURE PAGE FOLLOWS]

RIDER TO THE AMAZING LASH FRANCHISE, LLC AREA DEVELOPMENT AGREEMENT FOR USE IN MINNESOTA

THIS RIDER is made and entered into by and between **AMAZING LASH FRANCHISE**, **LLC**, a Delaware limited liability company with our principal business address at 1890 Wynkoop Street, Unit 1, Denver, Colorado 80202 ("Franchisor," "we," "us," or "our") and [DEVELOPER], having its principal business address at [ADDRESS] ("Developer," "you," or "your").

- 1. <u>BACKGROUND</u>. We and you are parties to that certain Area Development Agreement dated ______ (the "Area Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) the Amazing Lash Studios that you will operate and develop under the Area Development Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Area Development Agreement occurred in Minnesota.
- 2. **DEVELOPMENT FEE.** The following is added to the end of Section 3 of the Area Development Agreement:

We will defer collection of the Development Fee, and will collect a pro rata portion of the Development Fee for each Studio required to be developed under the Development Agreement at the time we have fulfilled our initial pre-opening obligations to you and you have opened that Studio..

3. 2. TERMINATION OF AGREEMENT. The following is added to the end of Section 7.A of the Area Development Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

4. 3. RELEASES. The following is added to the end of Section 6.B(6) ("Transfer") of the Area Development Agreement:

Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

5. 4. GOVERNING LAW. The following statement is added at the end of Section 9.B of the Area Development Agreement:

Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

6. 5. CONSENT TO JURISDICTION. The following sentence is added to the end of Section 9.C of the Area Development Agreement:

Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400(J) prohibit us, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota.