

Provision (1)	Section in the Ecommerce Addendum	Summary
r. Non-competition covenants after the franchise terminates or expires	Not Applicable	
s. Modification of the agreement	Section 6	No modification generally, but MNC may modify the Online Sales Revenue Allocation Program.
t. Integration/merger clause	Not Applicable	
u. Dispute resolution by arbitration or mediation	Not Applicable	
v. Choice of forum	Not Applicable	See the Additional Disclosure Addendum to this Disclosure Document for specific state provisions.
w. Choice of law	Not Applicable	See the Additional Disclosure Addendum to this Disclosure Document for specific state provisions.

NOTES

(1) With respect to those provisions that are not contained in the Ecommerce Addendum, the provisions of the Studio Agreement govern MNC's and your obligations.

ITEM 18

PUBLIC FIGURES

MNC does not use any public figures to promote its franchise.

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 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.

MNC does not make any representations about a franchisee's financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Marian Gahagan, Corporate Counsel, Merle Norman Cosmetics, Inc., 9130 Bellanca Avenue, Los Angeles, California 90045, (310) 337-2200, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20**OUTLETS AND FRANCHISEE INFORMATION**

Table No. 1
Systemwide Studio Summary
For Years 2022 to 2024 (1)

Studio Type	Year	Studios at Start of the Year	Studios at End of the Year	Net Change
Franchised	2022	903	858	-45
	2023	858	831	-27
	2024	831	797	-34
Company Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Number of Studios	2022	903	858	-45
	2023	858	831	-27
	2024	831	797	-34

NOTES

(1) The numbers for 2022-2024 are as of MNC's fiscal year end (December 31 for each year).

Table No. 2
Transfers of Studios from Franchisees to New Owners
(Other than MNC)
For Years 2022 to 2024 (1)

State	Year	Number of Transfers
Alaska	2022	0
	2023	0
	2024	0
Alabama	2022	4
	2023	1
	2024	4