Merle Norman Cosmetics, Inc.

For over seventy years, Merle Norman Cosmetics, Inc. has developed, manufactured and distributed its own full line of high quality skin care and color cosmetic products. We sell these products exclusively through almost 2,000 independently owned and operated MERLE NORMAN Cosmetic Studios in the United States and Canada. We have built our business on the MERLE NORMAN Studio system with an emphasis upon personal service, and through the concept of Try Before You Buy. Unique to the MERLE NORMAN Studio experience is the personal relationship shared by each customer and her knowledgeable MERLE NORMAN Beauty Consultant.

**Intellectual Property Rights**

Merle Norman Cosmetics, Inc. has established widespread consumer recognition and a favorable reputation among consumers as a supplier of high quality products. Our intellectual property, which includes the trade names, trademarks, service marks and copyrights owned by Merle Norman Cosmetics, Inc., embody the goodwill and reputation we have developed in the marketplace, and are valuable and important assets to our business. Accordingly, we carefully monitor and diligently protect our rights in these intellectual property assets in order to guard against their misuse. We take all appropriate actions, where necessary, to fully protect our rights.

**Our Membership In eBay's VeRO Program**

To further protect the intellectual property rights owned by Merle Norman Cosmetics, Inc., we are a member of eBay's Verified Rights Owner (VeRO) program. We monitor all eBay auctions, and where we find any unauthorized use or infringement of our intellectual property, the offending auction is terminated under eBay's VeRO program.