

## DEPT OF CORPORATIONS FRANCHISE DISCLOSURE DOCUMEN

A10 :30

S body+brain

Body and Brain Center, LLC an Arizona limited liability company 3651 East Baseline Road, Suite 223 Gilbert, Arizona 85234 Phone: (480) 664-2194

Fax: (866) 324-4805 E-Mail: support@bodynbrain.com Website: www.bodynbrain.com

Body and Brain Center, LLC offers franchises for the operation of a business that provides holistic health and healing programs to individuals and small groups and sells related products. The total investment necessary to begin operation of a Body + Brain franchise ranges from \$56,830 to \$129,850. This includes an amount ranging from \$34,800 to \$46,300 that must be paid to us and our affiliates.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate for the proposed franchise sale. Note, however, that no government agency has verified the information contained in this document.

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the franchisor at 3651 East Baseline Road, Suite 223, Gilbert, Arizona 85234 or call (480) 664-2194.

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, for instance "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission (the "FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 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.

Issuance Date: April 5, 2012



## **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 <u>EXHIBIT "A"</u> 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 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 TO RENEW.

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

- 1. ALL DISAGREEMENTS MUST BE SETTLED BY MEDIATION, ARBITRATION OR LITIGATION IN ARIZONA. OUT-OF-STATE MEDIATION, ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE, ARBITRATE OR LITIGATE WITH US IN ARIZONA THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT ARIZONA 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. THE FRANCHISOR'S PARENT COMPANY, DAHN YOGA, IS CURRENTLY THE SUBJECT OF NEGATIVE PUBLICITY AND VARIOUS LAWSUITS BROUGHT BY FORMER EMPLOYEES ALLEGING THAT DAHN YOGA COMMITTED FRAUD BY MEANS OF MENTAL MANIPULATION.

| ••       |         | DE OTTENTA | 00110214114 | <br> |
|----------|---------|------------|-------------|------|
|          |         |            |             |      |
| Effectiv | e Date: | , 2012     |             |      |

1

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

{WB048711v1 } (FDD - 2012 California)



## TABLE OF CONTENTS

| ITEM 1         | FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES           | 1   |
|----------------|---|-----|
| ITEM 2         | BUSINESS EXPERIENCE   | 3   |
| ITEM 3         | LITIGATION  |     |
| ITEM 4         | BANKRUPTCY  |     |
| ITEM 5         | INITIAL FEES  |     |
| ITEM 6         | OTHER FEES  | 6   |
| ITEM 7         | ESTIMATED INITIAL INVESTMENT                                      | 9   |
| ITEM 8         | RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES                  |     |
| ITEM 9         | FRANCHISEE'S OBLIGATIONS  |     |
| ITEM 10        | FINANCING   | .14 |
| ITEM 11        | FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND        |     |
|                | TRAINING  | .14 |
|                | TERRITORY   | .21 |
| ITEM 13        | TRADEMARKS  | .23 |
| ITEM 14        | PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION                  | .25 |
| ITEM 15        | OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHIS |     |
|                | BUSINESS  | .25 |
| ITEM 16        | RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL                      | .26 |
| ITEM 17        | RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION            | .26 |
| ITEM 18        | PUBLIC FIGURES  | .28 |
| ITEM 19        | FINANCIAL PERFORMANCE REPRESENTATIONS                             | .28 |
| ITEM 20        | OUTLETS AND FRANCHISEE INFORMATION                                | .29 |
| ITEM 21        | FINANCIAL STATEMENTS  | .33 |
| ITEM 22        | CONTRACTS   | 33  |
| ITEM 23        | RECEIPT   | .33 |
|                |   |     |
| <b>EXHIBIT</b> | ·   |     |
| <b>EXHIBIT</b> |   |     |
| <b>EXHIBIT</b> |   |     |
| <b>EXHIBIT</b> |   |     |
| <b>EXHIBIT</b> | -   |     |
| <b>EXHIBIT</b> | "I." RECEIPTS   |     |

| nis is a document preview downloaded from FranchisePanda.com. The full document is available for<br>see by visiting: https://franchisepanda.com/franchises/body-brain-center | r |
|--|---|
|  |   |
|  |   |
|  |   |
|  |   |
|  |   |
|  |   |
|  |   |