

DRIPDOCTORS HOLDINGS, LLC

2280 Paseo Verde Parkway, Suite 110 Henderson, Nevada 89052 http://www.dripdoctors.com/ 1-844-4-DRIP-DR ext. 6



CALIFORNIA FRANCHISE DISCLOSURE DOCUMENT

August 19, 2017



FRANCHISE DISCLOSURE DOCUMENT



DRIPDOCTORS HOLDINGS, LLC (A Nevada Limited Liability Company) 2280 Paseo Verde Parkway, Suite 110 Henderson, Nevada 89052 1-844-4-DRIP-DR ext. 6 Franchising@dripdoctors.com http://www.dripdoctors.com/

The franchise described is known as "DripDoctors® ("DripDoctors"). DripDoctors Holdings offers and sells single-unit franchise locations, or "Clinics;" these Clinics, owned and operated by DripDoctors franchisees, provide IV Vitamin Therapy, Hydration, Anti-Aging, Bio-Identical Hormone Replacement, Weight Loss and Cosmetic Enhancements to clients in a clinic or concierge setting through licensed medical professionals, specifically physicians, surgeons, registered nurses, naturopathic doctors, and physician assistants.

The total investment necessary to begin operation of a DripDoctors Single Unit franchised business is \$199,700 to \$411,500. This includes an Initial Fee of \$52,500.00 to secure your chosen Territory which includes a \$15,000 Preliminary Agreement Fee that must be paid to Us. The total investment necessary to begin operation of a DripDoctors Area Development franchise business is \$252,200 to \$516,500. This includes the Initial Fee for the first unit and the 50% payment of all additional Initial Fees that must be paid to Us at the time You sign the initial Franchise Agreement.

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 Us 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 disclosure document in another format that is more convenient for You. To discuss the availability of disclosures in different formats, contact Saloni Amin at 2280 Paseo Verde Parkway, Suite 110, Henderson, Nevada 89052, or email at franchising@dripdoctors.com or telephone her at 1-844-4-DRIP-DR ext. 6.

The terms of your contract will govern your franchise relationship. Do not rely on the Disclosure Document alone to understand your contract. Read your entire contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an 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, such as "*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. 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 <u>www.ftc.gov</u> for additional information.

There may also be laws on franchising in your state. Ask your state agencies about them.

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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 I 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 DISPUTES WITH US BY MEDIATION OR LITIGATION IN WILLIAMSON COUNTY, TX. OUT-OF-STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT ALSO COSTS YOU MORE TO MEDIATE OR LITIGATE WITH US IN WILLIAMSON COUNTY, TX THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AGREEMENT REQUIRES THAT TEXAS 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. YOUR SPOUSE AND THE SPOUSE OF ALL OWNERS, IF FRANCHISEE IS AN APPROVED BUSINESS ENTITY, MUST SIGN A SPOUSAL CONSENT, MAKING THE SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, PLACING THE SPOUSE'S OWN PERSONAL ASSETS AT RISK.
- 4. IF YOU DO NOT FIRST MEDIATE DISPUTES WITH THE FRANCHISOR IN GOOD FAITH, AS PER THE FRANCHISE AGREEMENT, THEN YOU MAY LOSE THE RIGHT TO ATTORNEY'S FEES IN THE EVENT THAT YOU WIN THE DISPUTE.
- 5. THIS NEW FRANCHISOR HAS BEEN IN BUSINESS FOR SUCH A SHORT PERIOD OF TIME THAT ITS FRANCHISES ARE A HIGHER RISK INVESTMENT THAN FRANCHISORS WITH A LONGER-TERM OPERATING HISTORY.
- 6. THE TERRITORY IS NOT EXCLUISIVE. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS FRANCHISOR CONTROLS.
- 7. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE. We 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.

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