

FRANCHISE DISCLOSURE DOCUMENT



HT FRANCHISING MANAGEMENT, LLC
A Delaware Limited Liability Company

215 Fries Mill Road
Turnersville, New Jersey 08012
Phone: 856.716.2150
franchiseinfo@hollywoodtans.com
www.hollywoodtans.com

The franchise is to operate a Hollywood Tans indoor tanning salon (a “Salon”) which will offer indoor tanning services and related products.

The total investment necessary to begin the operation of a single Hollywood Tans franchised Salon ranges from \$202,400 to \$367,500. This includes a minimum of \$15,000 that must be paid to the franchisor or an affiliate. Approximately fifty percent (50%) of the total investment relates to the purchase of tanning equipment.

If you acquire the right to develop a number of Hollywood Tans franchises under an Area Development Agreement, the initial development fee is 100% of the initial franchise (\$15,000) fee for the first location, plus \$7,500 for each additional location that you agree to open under the area development 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, the franchisor or an affiliate in connection with the proposed franchise sale or grant. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive this Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact either Michelle Ernst or John Stautzenbach at 215 Fries Mill Road, Turnersville, NJ 08012, and 856-716-2150.

The terms of your agreement 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 (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 of this Franchise Disclosure Document: April 30, 2015

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 A for information about the franchisor, about other franchisors, 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 PERMITS YOU TO ARBITRATE WITH US ONLY IN NEW JERSEY. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN NEW JERSEY THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT NEW JERSEY 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 WAS FORMED IN JUNE, 2012 AND HAD NO OPERATING HISTORY OR RECORD OF PERFORMANCE PRIOR TO THAT DATE. A PROSPECTIVE FRANCHISEE'S INITIAL INVESTMENT OF \$202,400 to \$367,500 EXCEEDS THE FRANCHISOR'S NET ASSETS VALUED AT \$19,398 (FRANCHISOR CURRENTLY ALSO CARRIES A MEMBER DEFICIT OF \$11,751) AS OF DECEMBER 31, 2014.
4. THE FRANCHISE AGREEMENT STATES THAT WE MAY REQUIRE YOUR SPOUSE TO EXECUTE A PERSONAL GUARANTY FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT OR AREA DEVELOPMENT AGREEMENT. THIS GUARANTY WOULD MAKE YOUR SPOUSE JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE WHETHER THEY ARE INVOLVED IN ITS OPERATIONS OR NOT. IF REQUESTED BY US, THIS GUARANTY WILL PLACE THE PERSONAL AND MARITAL ASSETS OF THE FRANCHISE OWNER AND THEIR SPOUSE AT RISK.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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