

APR 17 2017

Department of
Business Oversight

FRANCHISE DISCLOSURE DOCUMENT



design your body

Hypoxi US Franchise LLC
a Delaware limited liability company
7001 North Scottsdale Road, Suite 138
Scottsdale, Arizona 85253
Telephone: (480) 794-1776
E-mail: info@hypoxibody.com
Website: www.HypoxiBody.com

The franchisee will operate a business (a “**Hypoxi Business**”) specializing in offering customers a holistic approach and personal supervision for a targeted method of body shaping using proprietary equipment, procedures, and training methods.

The estimated total initial investment necessary to begin operation of a Hypoxi Business franchise ranges from \$393,500 to \$712,000 for a Stand-Alone Hypoxi Business, and \$272,650 to \$578,500 for an In-Club Hypoxi Business. These amounts include \$205,000 to \$345,000 (depending on the Equipment (defined below) you purchase) that you must pay to us before you open.

We offer a “3-Pack Agreement” where you will sign three franchise agreements simultaneously, with certain modifications to address the timeline for opening those Hypoxi Businesses. Your estimated total investment necessary to begin operation at each of the Hypoxi Businesses under a 3-Pack Agreement will be the same as noted above for each business, with a reduction in the initial franchise fee.

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. **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 Jeffrey Stokes, our Vice President, at Hypoxi US Franchise LLC, at 7001 N Scottsdale Road, Suite 138, Scottsdale, Arizona 85253 (480.794.1776).

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 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 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.

The issuance date of this Franchise Disclosure Document is July 29, 2016, as amended January 17, 2017 and April 14, 2017.

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 administrators listed in Exhibit B 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 PERMITS THE FRANCHISEE TO MEDIATE OR LITIGATE ONLY IN NEW YORK. OUT OF STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE OR LITIGATE WITH THE FRANCHISOR IN NEW YORK THAN IN YOUR HOME STATE.
- *2. THE FRANCHISE AGREEMENT STATES THAT THE LAW OF NEW YORK 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. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

* Local law may supersede these franchise agreement provisions. Certain states require the superseding provisions to appear in an addendum in this disclosure document (See Exhibits H and I).

We use the services of one or more Franchise Brokers or referral sources to assist us in selling our franchises. 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 be sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

STATE	EFFECTIVE DATE
California	
Florida	
Illinois	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Virginia	
Washington	

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