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Department of
Business Oversight

FRANCHISE DISCLOSURE DOCUMENT



JC FRANCHISING, INC.

A Texas Corporation

100 Ritchie Rd.

Woodway, Texas 76712

(800) 848-1096

franchiseservicesupp@jennycraig.com

www.jennycraig.com

JC Franchising, Inc. franchises the right to open and operate “Jenny Craig” weight loss and weight management centers (“Centers”) that provide products and services to customers to help them manage their body weight, under the “Jenny Craig” name, logos and trademarks (the “Proprietary Marks”).

The total investment necessary to begin operation of a Center is ~~\$182,100 to \$435,000~~ \$181,935 to \$393,750. This includes the \$24,500 to \$50,750 that You must pay to Us or one of 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, JC Franchising, Inc. 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 Jenny Craig Franchise Department, 100 Ritchie Rd., Woodway, Texas 76712; telephone (800) 848-1096; or by email at franchiseservicesupp@jennycraig.com.

The terms of Your contract will govern Your franchise relationship with JC Franchising, Inc. Do not rely on the disclosure document alone to understand Your contract. Read 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, N.W., 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.

Issuance Date: ~~July 25~~ October 9, 2017

Multistate
Jenny Craig FDD 1017

toilet facilities, service sinks, and similar matters. You should consult Your own lawyer on federal, state and local laws and regulations that will apply to Your business.

Item 2 BUSINESS EXPERIENCE

Chief Executive Officer, President and Director: Monty Sharma

Mr. Sharma has served as Our Chief Executive Officer, President and one of Our Directors since November 2013 with his office located in Carlsbad, California. He has also served as the Chief Executive Officer, President and Director of Curves International, Inc. since October 2012. Mr. Sharma served as Chief Executive Officer and President at Atkins Nutritional, Inc. headquartered in Denver, Colorado, from October 2007 to September 2012.

Vice President - Chief Financial Officer and Treasurer: Michael Schantz

Mr. Schantz has served as our Vice President-Chief Financial Officer and Treasurer since January 2015 with his office located in Carlsbad, California. He has also served as Vice President-Chief Financial Officer and Treasurer for Curves International, Inc. since January 2015. From March 2011 to February 2014, Mr. Schantz served as Chief Financial Officer for National Dentex Corporation located in Boston, Massachusetts and Palm Beach, Florida. From August 2010 to February 2011, he served as a consultant for Focus Management Group headquartered in Tampa, Florida.

Vice President-Chief Accounting Officer: Ronnie Glaesmann

Mr. Glaesmann has served as Our Vice President - Chief Accounting Officer since January 2015 with his office located in Woodway, Texas. Mr. Glaesmann served as Our Vice President-Chief Financial Officer and Treasurer from November 2013 to January 2015. He has also served as Vice President-Chief Accounting Officer of Curves International, Inc. since January 2015 and as Vice President, Chief Financial Officer and Treasurer of Curves International, Inc. from October 2012 to January 2015. He served as Treasurer and Chief Financial Officer of Curves International Inc. from January 2006 to October 2012.

Vice President - General Counsel and Secretary: Jeffrey Scott Burchfield

Mr. Burchfield has served as Our Vice President - General Counsel and Secretary since November 2013 with his office located in Woodway, Texas. Mr. Burchfield has also served as the Vice President - General Counsel and Secretary of Curves International, Inc. since October 2012. He served as the Secretary and General Counsel of Curves International, Inc. from January 2012 to October 2012 and as Assistant General Counsel from May 2005 to December 2011.

~~Vice President - Marketing: Bianca Janosevic~~

~~Ms. Janosevic has served as our Chief Marketing Officer since June 2017 with her office located in Carlsbad, California. From 2015 to 2017 she served as Senior Vice President & General Manager, Marketing and Digital Channels at Elsevier Education. From 2012-2015 she served as Senior Vice President, Acquisitions & Marketing Capabilities, North America Digital Group at Citi, Consumer Bank. From 2010-2012 she served as President at Capital New York Media Group.~~

Vice President - Information Technology: Yashwant Muralidharan

Mr. Muralidharan has served as Vice President – Information Technology for us and the Curves Entities listed in Item 1 since February 2017. From February 2016 to February 2017, he served as Sr. Manager, Corporate Applications & Business Intelligence for us and the Curves Entities. From November 2013 to February 2016,

to cease using the advertisements, JCI represented and warranted that it has taken all steps necessary to obtain compliance by all third parties, such as franchisees, advertisers or marketers, with the terms of the TRO, and the parties agreed to dismiss the action. A Stipulated Order of Dismissal with Prejudice and Release of Bond was entered on March 1, 2010.

Rhonda Bryant v. Jenny Craig, Inc., et al.; Case No. BC627204; filed in Superior Court of California, Los Angeles County. On July 14, 2016, plaintiff filed a lawsuit against Us for personal injuries she allegedly sustained when she tripped and fell inside a Center located in Woodland Hills, California. Plaintiff is seeking recovery of compensatory damages for alleged loss of wages, medical expenses and loss of earning capacity in unspecified amounts due to Our alleged negligence. ~~At the time of this Disclosure Document, this case is currently set for trial January 16, 2018.~~ On September 13, 2017, the Court granted Our Motion for Summary Judgment, disposing of the case.

Susan Kyvelos and Kevin Kyvelos, her husband v. Jenny Craig, Inc., Towne Point Center, Edgewood Properties, et al.; Docket No. MID-L-1009-17; filed in Superior Court of New Jersey, Law Division-Middlesex County. On March 1, 2017, plaintiffs filed a lawsuit against Us for personal injuries allegedly sustained by Mrs. Kyvelos when she allegedly slipped and fell on ice/snow in a parking lot located near a Center located in Manalapan Township on or about December 30, 2016. Plaintiffs allege that Mrs. Kyvelos suffered severe injuries which caused her to incur medical expenses and lost wages in undisclosed amounts as the result of the defendants' alleged negligence and breach of regulations. Plaintiffs further allege that Mr. Kyvelos has, and will continue to, incur medical expenses for his wife's medical treatment, as well as loss of her services and society. As of the date of this Disclosure Document, this case is pending.

Jill Villapiano and Robert Villapiano v. National Realty & Development Corp., Shrewsbury Plaza Shopping Center, Petruzzelli Brothers, Inc., Jenny Craig and Shrewsbury Plaza Shopping Center, et al.; Docket No. MON-L-1792-16; filed in Superior court of New Jersey, Law Division, Monmouth County. On May 17, 2016, plaintiffs filed a lawsuit against Us and the other named defendants alleging that Mrs. Villapiano sustained personal injuries to her thumb as the result of a fall on snow/ice in a parking lot located near a Center located in Shrewsbury Township on or about February 9, 2015. On or about October 6, 2016, We were served with a copy of plaintiffs' Complaint, as well as the Answer and Cross-Claim filed by defendant Petruzzelli Brothers, Inc. against the other defendants. Plaintiffs allege that all named defendants were negligent in failing to properly maintain the parking lot and failing to warn Mrs. Villapiano that a dangerous condition existed. Plaintiffs are seeking recovery of damages in unspecified amounts for alleged medical expenses, pain and suffering, and loss of occupation allegedly sustained by Mrs. Villapiano. Plaintiffs are also seeking recovery of damages allegedly sustained by Mr. Villapiano's in unspecified amounts for alleged loss of aid, comfort, companionship services and consortium of Mrs. Villapiano. At the time of this Disclosure Document, this case is pending.

Currently Effective Injunctions or Orders

Federal Trade Commission v. Jenny Craig, Inc., Jenny Craig International, Inc. In 1993, a complaint was filed against JC International before an administrative law judge of the Federal Trade Commission ("FTC"). (Docket No. 9260; filed September 1993). It alleged that JC International violated the FTC Act in certain advertisements for Our weight management program featuring testimonials, claims for the program's success and safety, and statements about program costs. The complaint sought a cease and desist order requiring JC International and its franchisees to stop the ads unless they satisfied certain conditions.

In September 1996, JCI and JC International reached a proposed settlement with the FTC. On February 19, 1998, the FTC signed the Final Decision and Order (the "**Order**"). JC International, its franchisees (now Our franchisees, including You) and others associated with Us must adhere to the detailed advertising restrictions in the Order. The Order requires Us to base Our advertising on scientific evidence (of types specified in the Order) that substantiates the success of Our weight loss program; provide disclaimers and disclosure of statistical data as part of certain

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