

**MAR 20 2014**
**FRANCHISE DISCLOSURE DOCUMENT**

Dept of BUSINESS OVERSIGHT



Kalologie Spa Destinations LLC  
 (A Delaware limited liability company)  
 5080 North 40th Street, Suite 105  
 Phoenix, Arizona 85018  
 Phone (602) 492-3360  
 Fax (602) 606-9902  
 www.Kalologie.com

We offer franchises to operate a Kalologie 360 Spa that sells retail products and membership-based spa treatment services, including facials, waxing, nails, massage therapy, tanning and brow treatments

The total estimated initial investment to begin operation of a Kalologie Spa ranges from \$193,485 to \$499,555 This includes an amount ranging from \$44,000 to \$49,000 that must be paid to us and our affiliate

We offer certain franchisees the right and obligation to open multiple Kalologie Spas under the terms of a multi-unit development agreement If you purchase multi-unit development rights, the total estimated investment to begin operation of your franchise ranges from \$193,485 to \$499,555 plus an additional amount equal to \$17,000 multiplied by the total number of Spas to be opened under the multi-unit development agreement (excluding your first Spa) This includes an amount ranging from \$44,000 to \$49,000 that must be paid to us and our affiliate, plus an additional amount equal to \$17,000 multiplied by the total number of Spas to be opened under the multi-unit development agreement (excluding your first Spa), which amount also must be paid to us

The disclosure document summarizes certain provisions of your franchise and/or multi-unit agreement and other information in plain English Read this disclosure document and all 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 our affiliate in connection with the proposed franchise **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 to you To discuss the availability of disclosure in different forms, contact Kalologie Spa Destinations LLC at 5080 North 40th Street, Suite 105, Phoenix, Arizona 85018 or (602) 492-3360

The terms of your contract will govern your franchise relationship Do not 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 10877-FTC HELP or by writing to the FTC at 600 Pennsylvania Ave, NW, Washington, DC 20580 You can also visit the FTC's home page at [www.ftc.gov](http://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

Date of Issuance February 20, 2014

Franchise Disclosure Document (2014 California / 360 Spa)

## 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, 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 THAT ALL DISAGREEMENTS 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. EVEN THOUGH THE FRANCHISE AGREEMENT PROVIDES THAT "HOME STATE" LAW APPLIES, LOCAL LAW MAY SUPERSEDE IT IN YOUR STATE. PLEASE REFER TO ANY STATE-SPECIFIC ADDENDUM THAT MAY BE ATTACHED TO THIS DISCLOSURE DOCUMENT FOR DETAILS.**

**3. ALL FRANCHISE OWNERS AND THEIR SPOUSES MUST SIGN A PERSONAL GUARANTY MAKING THE OWNERS AND THEIR SPOUSES JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE WHETHER OR NOT THE SPOUSE IS INVOLVED IN THE OPERATION OF THE FRANCHISE BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER AND THEIR SPOUSE AT RISK.**

**4. WE HAVE GRANTED REGIONAL DEVELOPMENT RIGHTS TO CERTAIN INDIVIDUALS, AS DISCLOSED IN THIS DISCLOSURE DOCUMENT. YOU WILL BE ENTERING INTO A FRANCHISE AGREEMENT WITH US AND NOT THE REGIONAL DEVELOPER AND THEY ARE NOT A PARTY TO YOUR CONTRACT. THE FRANCHISOR WILL BE RESPONSIBLE FOR THE ACTIONS OF THE REGIONAL DEVELOPER UNDER THE FRANCHISE AGREEMENT.**

**5. 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 be sure to do your own investigation of the franchise.

Effective Date \_\_\_\_\_, 2014

## TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>
Item 1 The Franchisor, and any Parents, Predecessors and Affiliates	1
Item 2 Business Experience	4
Item 3 Litigation	4
Item 4 Bankruptcy	5
Item 5 Initial Fees	5
Item 6 Other Fees	6
Item 7 Estimated Initial Investment	9
Item 8 Restrictions on Sources of Products and Services	11
Item 9 Franchisee's Obligations	13
Item 10 Financing	14
Item 11 Franchisor's Assistance, Advertising, Computer Systems, and Training	14
Item 12 Territory	24
Item 13 Trademarks	26
Item 14 Patents, Copyrights and Proprietary Information	27
Item 15 Obligation to Participate in the Actual Operation of the Franchise Business	27
Item 16 Restrictions On What You May Sell	28
Item 17 Renewal, Termination, Transfer and Dispute Resolution	28
Item 18 Public Figures	33
Item 19 Financial Performance Representations	33
Item 20 Outlets and Franchisee Information	33
Item 21 Financial Statements	36
Item 22 Contracts	36
Item 23 Receipts	36

## EXHIBITS

- EXHIBIT "A" List of State Administrators
- EXHIBIT "B" Agent for Service of Process
- EXHIBIT "C" Franchise Agreement
- EXHIBIT "D" Multi-Unit Development Agreement
- EXHIBIT "E" Manual Table of Contents
- EXHIBIT "F" List of Franchisees
- EXHIBIT "G" Financial Statements
- EXHIBIT "H" Franchisee Disclosure Questionnaire
- EXHIBIT "I" General Release
- EXHIBIT "J" Regional Developers
- EXHIBIT "K" California Addendum
- EXHIBIT "L" Receipts

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