

FRANCHISE DISCLOSURE DOCUMENT (Unit Franchise and Multi-Unit Development) LAB Holding Company, LLC 4441 Creekside Avenue Suite 129 Hoover, Alabama 35422 Tel: 205-369-3985 www.mylabikini.com



The franchises offered are for the establishment and operation of L.A. Bikini Studios. L.A. Bikini Studios offer body and facial hair removal, for both women and men. L.A. Bikini Studios feature proprietary techniques and sugaring (not wax) products and other items that are available from L.A. Bikini, its affiliates, or designated suppliers. L.A. Bikini Studios offer only sugaring services. L.A. Bikini has offered franchises since April 2015. The total investment necessary to begin operation of a L.A. Bikini Studio with a maximum of 6 sugaring treatment rooms (unless we approve additional rooms, in our sole and absolute discretion) and a minimum of 5 sugaring treatment rooms, ranges from \$279,760 to \$393,250. This amount includes \$35,000 that must be paid to the franchisor or an affiliate. If you sign a Multi-Unit Development Agreement, then you will incur these expenses for every L.A. Bikini Studio you agree to open, except your Initial Franchise Fee that must be paid at the time of signing the Multi-Unit Development Agreement will be reduced to \$25,000 for your second, third, and fourth Studio in addition to your first, and will be reduced to \$20,000 for your fifth Studio and any number of Studios greater than five that you agree to develop. We do not charge a Development 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 or grant. **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 disclosure in different formats, contact us at LAB Holding Company, LLC, 4441 Creekside Avenue, Suite 129, Hoover, Alabama 35244, Tel: 205-369-3895, clay.haley@labholdingco.com

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 "<u>A Consumer's Guide to Buying a Franchise</u>" 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, DC 20580. You can also visit the FTC's home page at *www.ftc.gov* for additional information on franchising. There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: March 1, 2019 Revision Date: September 1, 2019



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 AND MULTI-UNIT DEVELOPMENT AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN BIRMINGHAM, ALABAMA. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN ALABAMA THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT STATES THAT ALABAMA 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 FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$279,760 to \$393,250. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDER'S EQUITY AS OF DECMEBER 31, 2018, WHICH IS \$10,192.
- 4. THERE MAY BE OTHER RISKS CONCERNING THIS 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.

Registrations:

None

In all the other states, the effective date of this Franchise Disclosure Document is the issuance date of March 1, 2019.

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