

FRANCHISE DISCLOSURE DOCUMENT

LUNCHBOX FRANCHISE, LLC
An Idaho Limited Liability Company
818 West Idaho Street Boise, ID 83702
(866) 333-9163
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debi@lunchboxwax.com



If we (franchisor) approve you (franchisee or area developer, as applicable), you will establish and operate a business offering wax hair removal services to women and men and other related goods.

The total investment necessary to begin operation of a LunchboxWax franchise is \$172,140 to \$395,890. This includes \$136,750 to \$303,750 that must be paid to the franchisor or affiliate. If you are signing a Development Agreement for multiple franchise locations, your development fee will be equal to ½ of the applicable franchise fee due for the number of franchised centers to be developed pursuant to the terms of the 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. **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 our franchise department or Ms. Debi Lane, LunchBOX Franchise, LLC, 818 West Idaho Street, Boise, Idaho 83702, (866) 333-9163.

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 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. 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.

Issuance Date: April 10, 2017 (updated August 15, 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 THE 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 AREA DEVELOPMENT AGREEMENT REQUIRES THAT YOU RESOLVE DISPUTES WITH US BY SUBMITTING THEM TO ARBITRATION OR LITIGATION ONLY IN ADA COUNTY, IDAHO. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN IDAHO THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATES THAT IDAHO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$172,140 to \$395,890. THIS AMOUNT EXCEEDS FRANCHISOR'S MEMBERS' EQUITY AS OF DECEMBER 31, 2016, WHICH IS \$244,108.
4. THE FRANCHISOR'S AUDITED FINANCIAL STATEMENTS DATED DECEMBER 31, 2016 REFLECT THAT CURRENT LIABILITIES SUBSTANTIALLY EXCEED CURRENT ASSETS. AS PER THE AUDITED BALANCE SHEET, THE FRANCHISOR HAD A WORKING CAPITAL DEFICIENCY OF \$237,636.
5. YOU AND ANY PERSON WHO OWNS MORE THAN 5% OF A FRANCHISE, DIRECTLY OR INDIRECTLY, MUST SIGN A GUARANTY AND SHALL BE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS OF THE FRANCHISE UNDER THE FRANCHISE AGREEMENT. THE GUARANTY WILL PLACE EACH SIGNER'S PERSONAL ASSETS AT RISK.
6. ONE OF OUR PRIMARY TRADEMARKS THAT YOU WILL USE IN YOUR BUSINESS IS NOT YET FEDERALLY REGISTERED. IF OUR RIGHT TO USE THIS TRADEMARK IN YOUR AREA IS CHALLENGED, YOU MAY HAVE TO IDENTIFY YOUR BUSINESS AND ITS PRODUCTS OR SERVICES WITH A NAME THAT

DIFFERS FROM THAT USED BY OTHER FRANCHISEES OR US. THIS CHANGE CAN BE EXPENSIVE AND MAY REDUCE BRAND RECOGNITION OF THE PRODUCT OR SERVICES YOU OFFER.

7. 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 make sure to do your own investigation of the franchise.

Effective Date: See next page for state effective dates.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/lunchboxwax>