

## FRANCHISE DISCLOSURE DOCUMENT

## MC SPA FRANCHISE, L L C

A Florida Limited Liability Company 7508 West Sand Lake Road Orlando, Florida 32819 (407) 383-0098 www mcspafranchise com







The franchise offered is for the establishment and operation of a beauty spa and nail care business. We offer 4 types of franchises an M.C. Spa start-up franchise or an M.C. Spa conversion franchise that offers services that include massages, waxing, facials, reflexology, eyelashes and nail services, and an M.C. Nailbar start-up franchise or an M.C. Nailbar conversion franchise that offers traditional manicures and pedicures, reflexology, eyelashes, as well as artificial nails in an elegant salon setting at affordable prices

We offer 2 franchise programs for a start-up M C Spa or a start-up M C Nailbar

A single start-up M C Spa or an M C Nailbar business and a M C Spa or M C Nailbar conversion business. The total investment necessary to begin operation of an M C Spa start-up franchise ranges from \$385,750 to \$449,833. This includes \$45,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of an M C Spa conversion franchise ranges from \$351,250 to \$437,167. This includes \$30,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of an M C Nailbar start-up franchise ranges from \$161,117 to \$234,800. This includes \$25,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of an M C Nailbar conversion franchise ranges from \$128,916 to \$213,300. This includes \$15,000 that must be paid to the franchisor or affiliate.

Multiple M C Spa businesses The total investment necessary to begin operation of multiple M C Spa franchises ranges from \$394,750 if you develop 2 M C Spa units to \$602,833 if you develop 10 M C Spa units (but can be more if you choose to develop more than 10 units) The initial development fee ranges from \$36,000 (to develop 2 franchises) to \$162,000 (to develop the additional 9 M C Spa franchises) or higher for the development of more than 10 units

Multiple M C Nailbar businesses The total investment necessary to begin operation of multiple M C Nailbar franchises ranges from \$166,117 if you develop 2 M C Nailbar units to \$319,800 if you develop 10 M C Nailbar units (but can be more if you choose to develop more than 10 units) The initial development fee ranges from \$20,000 (to develop 2 franchises) to \$90,000 (to develop the additional 9 M C Nailbar franchises) or higher for the development of more than 10 units

This Disclosure Document summarizes certain provisions of your franchise agreement, area development 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 Mary Chau, 7508 West Sand Lake Road, Orlando, Florida 32819, (407) 383-7824, info@mcspafranchise

The terms of your contract will govern your franchise relationship Don't rely on this 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 fite 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 March 30, 2015



## **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 REQUIRE THAT MOST DISPUTES BE SUBMITTED TO LITIGATION/ARBITRATION IN ORANGE COUNTY, FLORIDA OUT OF STATE LITIGATION/ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE RESOLUTION FOR DISPUTES IT MAY ALSO COST YOU MORE TO LITIGATE/ARBITRATE WITH US IN FLORIDA THAN IN YOUR HOME STATE
- 2 THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT FLORIDA LAW GOVERNS THE AGREEMENT, AND FLORIDA LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE'S LAW YOU MAY WANT TO COMPARE THESE LAWS
- 3 THE FRANCHISOR HAS BEEN IN EXISTENCE FOR A SHORT PERIOD OF TIME SINCE OCTOBER 12, 2012 THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT
- 4 THE FRANCHISOR HAS LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND THE FRANCHISOR'S PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES
- 5 YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT WE CONTROL
- 6 AS PER THE AUDITED BALANCE SHEET DATED DECEMBER 31, 2013, THE FRANCHISOR HAD A NET WORTH DEFICIENCY OF (\$33,685)
- 7 THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$128,916 TO \$602,833 THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2013, WHICH IS (\$33,685)
- 8 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

The effective date for this Franchise Disclosure Document for your state is listed on the next page

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