

FRANCHISE DISCLOSURE DOCUMENT

Massage Envy Franchising, LLC
a Delaware limited liability company
14350 North 87th Street, Suite 200
Scottsdale, Arizona 85260
Phone: (480) 366-4100
Fax: (480) 366-4200

E-Mail: receptionist@massageenvy.com
Website: www.massageenvy.com

Massage Envy Franchising, LLC offers franchises for businesses that offer professional therapeutic massage services, customized facial services and related goods and services under the name “Massage Envy Spa[®]” through a membership-based program in a distinctive, clean and friendly environment.

If this is your first franchise, the total investment necessary to begin operation of your Massage Envy Spa ranges from ~~\$351,985~~\$331,485 to ~~\$568,623~~\$525,623. This includes between \$104,385 to \$127,523 that must be paid to us and 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, the franchisor or an affiliate in connection with the proposed franchise sale. **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 for you. To discuss the availability of disclosures in different formats, contact our legal department at 14350 North 87th Street, Suite 200, Scottsdale, Arizona 85260 or by phone at (480) 366-4100.

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 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 (the “FTC”). 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. 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 17, 2012, ~~as amended September 27, 2012~~ 2013

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 FE 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 THE STATE WHERE OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED, CURRENTLY 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 OUR HOME STATE 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.**
3. **ALL FRANCHISE OWNERS AND THEIR SPOUSES MUST SIGN A GUARANTY AND ASSUMPTION OF OBLIGATIONS MAKING THE OWNERS AND THEIR SPOUSES JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE WHETHER OR NOT SUCH 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. ~~ALTHOUGH OUR PREDECESSOR BEGAN SELLING FRANCHISES IN 2003, THE FRANCHISOR IS A NEWLY ORGANIZED COMPANY AND THERE IS LIMITED OPERATING HISTORY TO ASSIST A PROSPECTIVE FRANCHISEE IN DECIDING TO MAKE THIS INVESTMENT.~~
5. ~~YOU MUST GENERATE MINIMUM GROSS SALES OF NOT LESS THAN \$475,000 DURING ANY 12 MONTH PERIOD AFTER YOUR CLINIC OPENS FOR BUSINESS. WE MAY TERMINATE THE FRANCHISE AGREEMENT, OR, IN LIEU OF TERMINATION, REQUIRE YOU TO IMPLIMENT AN APPROVED BUSINESS RECOVERY PLAN OR TERMINATE YOUR TERRITORIAL RIGHTS IF YOU FAIL TO DO SO.~~
6. **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.

The effective date of the Franchise Disclosure Document in the various registration states appears on the following page.

EFFECTIVE DATES

California (Exemption)

Effective Date: ~~February 22, 2012~~

Hawaii (Renewal)

Effective Date: _____, 2012, as amended _____

Illinois (Exemption)

Effective Date:

Indiana (Exemption)

Effective Date: ~~February 22, 2012~~

Maryland

Effective Date: _____, 2012, as amended _____

Michigan (Exemption)

Effective Date: ~~February 23, 2012~~

Minnesota (Renewal)

Effective Date: ~~April 24, 2012, as amended~~ _____

New York (Exemption)

Effective Date: ~~August 2, 2012~~

North Dakota (Exemption)

Effective Date: ~~April 23, 2012~~

Rhode Island (Exemption)

Effective Date: ~~May 14, 2012~~

South Dakota (Renewal)

Effective Date: ~~April 26, 2012, as amended~~ _____

Virginia (Registration)

Effective Date: ~~July 18, 2012, as amended~~ _____

Washington (Exemption)

Effective Date: ~~March 7, 2012~~

Wisconsin (Renewal)

Effective Date: ~~April 23, 2012, as amended~~ _____

(Franchisor and Ginger Hartman)

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