

## FRANCHISE DISCLOSURE DOCUMENT



Massage Retreat & Spa Franchise Company L.L.C. a Minnesota limited liability company 4124 Quebec Avenue North, Suite 201 New Hope, Minnesota 55427 763-533-5411 www.massageretreat.com

You will operate a spa business that offers clients massage therapy, customized facial services, chemical peels, waxing services, eyebrow and eyelash tinting services, and related products and spa services under the "MASSAGE RETREAT & SPA" or "MASSAGE REFRESH & SPA" trademarks and system.

The total investment necessary to begin operation of a MASSAGE RETREAT & SPA<sup>TM</sup> or MASSAGE REFRESH & SPA<sup>®</sup> Center ranges from \$319,475 to \$480,655. This includes the \$74,000 to \$77,600 that must be paid to the franchisor or affiliate for a single MRS Center. If you are acquiring development rights for three or more MRS Centers under our Empire Builder Program, then you will sign our Empire Builder Agreement and pay us a development fee equal to \$100,000 for your first three Centers and \$16,500 for each additional Center. The development fee will be credited to satisfy the full initial franchise fee for your first three Centers and 50% of the initial franchise fee for any additional locations.

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 the MRS Franchise Coordinator at 763-533-5411, or franchise@massageretreat.com.

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 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: May 20, 2016

Massage Retreat & 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 <u>Exhibit G</u> 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 EMPIRE BUILDER AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY PRE-ARBITRATION MEDIATION AND ARBITRATION ONLY IN THE COUNTY OF FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS, WHICH IS CURRENTLY HENNEPIN COUNTY, MINNESOTA. OUT OF STATE PRE-ARBITRATION MEDIATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE AND ARBITRATE WITH US MINNESOTA THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AGREEMENT AND EMPIRE BUILDER AGREEMENT STATE THAT MINNESOTA LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. 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.

This Franchise Disclosure Document is registered, on file, or exempt from registration in the following state(s) having franchise registration and disclosure laws, with the following effective date(s):

State	Effective Date
Minnesota	

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of May 20, 2016

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