

FRANCHISE DISCLOSURE DOCUMENT



MASSAGE LUXE INTERNATIONAL, LLC (A Missouri Limited Liability Company) 11 Champion Drive Fenton, Missouri 63026 877-321-5893 636-600-4056 Contactus@massageluxe.com http://www.massageluxe.com

The franchise offered is a massage therapy spa featuring massage services, together with related services, products, merchandise, and accessories.

The total investment necessary to begin operation of MassageLuXe Spa ranges from \$195,500 to \$371,800. This includes from \$124,400 to \$170,000, that must be paid to the franchisor or its affiliates. If you are signing a Multi-Unit Development Agreement, you must pay us a MUD Fee equal to \$76,000 for the first 3 Spas and \$19,000 for each additional Spa contracted for under the Multi-Unit Development Agreement. If you are signing an Area Development Agreement, the total investment necessary to begin your development operations ranges from \$213,000 to \$224,600. This includes \$200,300 that must be paid to the franchisor or its 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 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 Todd Layton, Chief Operating Officer, at 11 Champion Drive, Fenton, Missouri 63026 and 636-600-4056.

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 contracts 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.

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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 F** for information about the franchisor, about other franchisors, 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, MULTI-UNIT DEVELOPMENT AGREEMENT AND THE AREA DEVELOPMENT AGREEMENT PERMIT THE FRANCHISOR TO SUE IN MISSOURI. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE US IN MISSOURI THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AGREEMENT, MULTI-UNIT DEVELOPMENT AGREEMENT AND THE AREA DEVELOPMENT AGREEMENT STATE THAT MISSOURI 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. WE MAY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, SET PRICES FOR THE GOODS AND SERVICES OFFERED BY YOUR FRANCHSIE.
- 4. THE FRANCHISE OWNERS AND THEIR SPOUSES MUST EACH SIGN AN AGREEMENT TO BE PERSONALLY BOUND BY THE CONFIDENTIALITY AND NON-COMPETITION OBLIGATIONS OF THE FRANCHISEE.
- 5. 4. THERE MAY BE OTHER RISK FACTORS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS and 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.



STATE EFFECTIVE DATES

This franchise disclosure document is registered, on file or otherwise effective in the following states with franchise registration and disclosure laws:

California April 20, 2011 <u>11, 2012</u>

Hawaii April 20, 2011 May 21, 2012

Illinois March 29, 2011–27, 2012

Indiana March 29,26, 2011

Maryland June 12, 2012

Michigan March 26, 2011-2012

Minnesota April 4, 2011 May 22, 2012

New York April 15, 2011 10, 2012

North Dakota April 7, 2011 <u>17, 2012</u>

Rhode Island April 25, 2012

South Dakota March 29, 2011 27, 2012

Virginia April 8, 2011 March 27, 2012

Washington April 7, 2011 <u>5, 2012</u>

Wisconsin March 29, 2011 27, 2012

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