

FRANCHISE DISCLOSURE DOCUMENT



Painting with a Twist, L.L.C. d/b/a Painting with a Twist A Louisiana Limited Liability Company 2121 N. Causeway Blvd., Suite 200 Mandeville, LA 70471 (985) 626-3292

> <u>franchising@paintingwithatwist.com</u> www.paintingwithatwist.com

We offer and award qualified parties a franchise for the right to independently own and operate a business specializing primarily in providing a fun and engaging social setting where guests drink wine or other beverages while creating art or crafts using Painting with a Twist proprietary marks (the "Proprietary Marks"), branded products and other services and products that we approve and authorize from a particular location (a "Franchised Business"). Each Franchised Business is operated utilizing the Proprietary Marks and the system of business operations (the "System") that we designate from time to time and license to our franchisees under our then-current form of franchise agreement (the "Franchise Agreement").

The total investment necessary to begin operation of a single Franchised Business is \$121,500 to \$261,000. This includes \$26,000 to 26,500 that must be paid to the franchisor.

If you sign an Area Development Agreement, the minimum total investment necessary to begin operations as an Area Developer is \$134,000 to \$273,500. This includes \$38,000 to \$39,000 that must be paid to the franchisor.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all 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 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 the franchise office at 2121 N. Causeway Blvd., Suite 200, Mandeville, Louisiana 70471 (Attention: Franchise Development Department), (985) 626-3292, or franchising@paintingwithatwist.com.

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 contracts 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," is available from the Federal Trade Commission ("FTC"). You can contact the FTC at 1-877- FTCHELP 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 your public library for 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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HOW TO USE THIS FRANCHISE DISCLOSURE DOCUMENT

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about
	outlet sales, costs, profits or losses. You
	should also try to obtain this information
	from others, like current and former
	franchisees. You can find their names and
	contact information in Item 20 or Exhibit H.
How much will I need to invest?	Items 5 and 6 list fees you will be paying
	to the franchisor or at the franchisor's
	direction. Item 7 lists the initial investment
	to open. Item 8 describes the suppliers you
	must use.
Does the franchisor have the financial	Item 21 or Exhibit D included financial
ability to provide support to my	statements. Review these statements
business?	carefully.
Is the franchise system stable, growing,	Item 20 summarizes the recent history of
or shrinking?	the number of company-owned and
	franchised outlets.
Will my business be the only Painting	Item 12 and the "territory" provisions in
with a Twist business in my area?	the franchise agreement describe whether
	the franchisor and other franchisees can
Does the franchisor have a troubled	Items 3 and 4 tell you whether the
legal history?	franchisor or its management have been
regul missory v	involved in material litigation or
	bankruptcy proceedings.
What's it like to be a Painting with a	Item 20 and Exhibit H list current and
Twist franchisee?	former franchisees. You can contact them
	to ask about their experiences.
What else should I know?	These questions are only a few things you
	should look for. Review all 23 Items and
	all Exhibits in this disclosure document to better understand this franchise
	better understand this franchise opportunity. See the table of contents.
	opportunity. See the table of contents.



What You Need To Know About Franchising Generally

<u>Continuing responsibility to pay fees.</u> You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

<u>Supplier restrictions.</u> You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

<u>Operating restrictions.</u> The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

<u>Competition from franchisor</u>. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if you state has a registration requirement, or to contact your state, use the agency information in Exhibit C.

Your state also may have laws that require special discloses or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

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