

FRANCHISE DISCLOSURE DOCUMENT

PHENIX SALON SUITES FRANCHISING, LLC

A Colorado Limited Liability Company

662 Encinitas Blvd., Suite 248, Encinitas, CA 92024

(719) 785-4858 / phenixsalonsuites.com / jrivera@phenixsalonsuites.com



As a franchisee, you will operate a PHENIX SALON SUITES® business that develops fully equipped luxury suites and will license these suites to independent salon and other business professionals under the PHENIX SALON SUITES® mark. You may also operate a Phenix Salon Store at the salon that sells Phenix Salon proprietary and private label products and other merchandise.

The initial investment necessary to begin operation of a single PHENIX SALON SUITES® business ranges from \$714,890 to \$1,480,901 before allowance contributions from landlords, and \$493,570 to \$1,068,401 after adjusting for estimated allowance contributions from landlords. This includes \$62,250 that must be paid to us or our affiliates.

You may also enter into a Development Agreement with us whereby you will develop a minimum of six or more PHENIX SALON SUITES® Businesses. The total investment necessary to begin operations under a Development Agreement includes a Development Fee that must be paid to us. The Development Fee for the development of these six Businesses is calculated as follows: \$93,000 for the first two locations; \$105,000 for the third, fourth, and fifth locations; and \$30,000 for the sixth location and any additional locations you decide to develop beyond the minimum. You must open the first location within twelve months of signing a Development Agreement with us. The total investment necessary to begin operations under a Development Agreement for these six locations ranges from \$890,390 to \$1,656,401 before allowance contributions from landlords, and \$669,070 to \$1,243,901 after adjusting for estimated allowance contributions from landlords. This includes the \$228,000 that must be paid to us or our affiliates.

This disclosure document summarizes certain provisions of your franchise agreement, 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, us or our affiliate company 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 Franchise Administration Department at PHENIX SALON SUITES FRANCHISING LLC, 662 Encinitas Blvd., Suite 248, Encinitas, CA 92024, (719) 785-4858, jrivera@phenixsalonsuites.com.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your complete contract carefully. Show your contract and this disclosure document to an advisor, such as an attorney or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make your decision. 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 ("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 on franchising. 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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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 Exhibits F-1 and F-2.
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 ability to provide support to my business?	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Phenix Salon Suites business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Phenix Salon Suites franchisee?	Item 20 or Exhibits F-1 and F-2 lists current and 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 opportunity. See the table of contents.

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