

## FRANCHISE DISCLOSURE DOCUMENT

PHINS Franchising, LLC  
A California Limited Liability Company  
578 Washington Blvd Suite 273  
Marina del Rey, California 90292  
Telephone Number 310-822-7600  
www.phinsclub.com

DEPARTMENT OF CORPORATIONS  
RECEIVED LOS ANGELES OFFICE

AUG 22 2012



The franchisee will operate a franchised PHINS WATER SPORTS CLUB, an open water slide seat rowing boat and paddle board club which operate from docks on the water ways of rivers, lakes, and oceans. Included in our club package is our on-line reservation system and membership program.

The initial investment for a franchised PHINS WATER SPORTS CLUB ranges between \$197,586 and \$299,218. This includes the initial franchise fee of \$24,900.00 for the first franchise purchased, \$20,000 for the second franchise and \$15,000 for the third or subsequent franchises. The initial franchise fee 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 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 governmental agency has verified the information contained in this document.**

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 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, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://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 \_\_\_\_\_

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosure in different formats, contact the Chief Operations Officer of PHINS Franchising, LLC at 578 Washington Blvd Suite 273 Marina del Rey, California 90292 Telephone 310-822-7600

## 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 C for information about the franchisor or about franchising in your state.

### RISK FACTORS

- 1 THE FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO ARBITRATE ONLY IN CALIFORNIA OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST MORE TO ARBITRATE WITH PHINS FRANCHISING, LLC IN CALIFORNIA THAN IN YOUR HOME STATE
- 2 THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA 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 THE FRANCHISE AGREEMENT REQUIRES A SUBSTANTIAL INVESTMENT AND A COMMITMENT OF TIME ALL INVESTMENTS INVOLVE A DEGREE OF RISK
- 4 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE
- 5 THE FRANCHISOR IS A NEW COMPANY WITH NO OPERATING HISTORY TO ASSIST IN DECIDING TO MAKE THIS INVESTMENT

Information about comparisons of franchises is available Call the state administrators listed in Exhibit C or your public library for sources of information

Registration of this franchise with the state does not mean that the state recommends it or has verified the information in this offering circular If you learn that anything in this offering circular is untrue, contact the Federal Trade Commission and the State Administrators listed in Exhibit C

EFFECTIVE DATE \_\_\_\_\_

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