

FRANCHISE DISCLOSURE DOCUMENT FOR PROSPECTIVE AREA REPRESENTATIVES

PLANET BEACH FRANCHISING CORPORATION

5145 Taravella Road
Marrero, Louisiana 70072
(504) 361-5550
www.planetbeach.com

Department of Corporations

APR 01 2010

Sacramento Office



If you pursue an Area Representative opportunity, you will operate a single unit Planet Beach Spa franchise and sell additional franchises to others in your territory. As a franchisee, you will operate a Planet Beach location that offers tanning and spa services. You will sell tanning, spa and skin care products, apparel and other specialty items under the name "Planet Beach". The total investment necessary to begin operation of a Planet Beach franchise is from \$201,850 to \$394,550. This includes \$30,000 that must be paid to the franchisor, plus up to \$144,000 for equipment, up to \$6,800 for computer and software, up to \$11,050 for shipping, handling and set-up of the equipment, up to \$2,000 for a timer system, up to \$7,500 for wholesale goods and \$2,500 for construction drawings that you will pay to us before opening your Spa.

In addition, you will be a development agent and sell Planet Beach Spa franchises. You will be offered this opportunity to market individual states or large geographical or population areas. The development price is .10 cents per capita in your development territory. Territories that have preexisting and/or awarded licenses are subject to additional fees. The estimated total initial investment for an Area Representative ranges from \$58,700.00 to \$73,950.00 exclusive of the costs for your single unit spa.

This disclosure document summarizes certain provisions of your area representative 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 Franchise Sales Department at 5145 Taravella Road, Marrero, Louisiana 70072, (504) 361-5550.

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 contracts carefully. Show your contract and your 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 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: March 31, 2010

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 A for information about the franchisor, or about franchising in your state.

MANY AREA REPRESENTATIVE AND 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 AREA REPRESENTATIVE AND FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US ONLY IN LOUISIANA. OUT-OF-STATE DISPUTE RESOLUTION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO RESOLVE DISPUTES WITH US IN LOUISIANA THAN IN YOUR OWN STATE.**
2. **THE AREA REPRESENTATIVE AND FRANCHISE AGREEMENT STATES THAT LOUISIANA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPATER THESE LAWS.**
3. **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

We use the services of one or more **FRANCHISE BROKERS** or 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 be sure to do your own investigation of the franchise.

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