

## FRANCHISE DISCLOSURE DOCUMENT

### PLANET BEACH® FRANCHISING CORPORATION

(A Delaware Corporation)

5145 Taravella Road

Marrero, Louisiana 70072

(504) 361-5550

[www.planetbeach.com](http://www.planetbeach.com)

[information@planetbeach.com](mailto:information@planetbeach.com)



As a franchisee, you will operate a Planet Beach® outlet that offers automated spa services, nutrition, health products, spray tanning, ultraviolet light tanning, skin care products and other specialty items under the name and brand “Planet Beach.” Additionally, your PB outlet will offer products and services under the name of our affiliate brand, HOTWORX®.

The total investment necessary to begin operation of a Planet Beach® Spa franchise is from \$183,143 – \$390,546. This initial investment includes \$113,593 - \$180,046 that must be paid to the franchisor or its affiliates.

The total investment necessary to enter into our Area Development Agreement will depend on the actual development rights we grant to you. If we grant you the right to an additional studio, then your initial investment for this one additional studio will cost \$385,596. This includes \$175,096 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 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 to 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 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: September 5, 2019.

## 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 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US ONLY IN LOUISIANA, THROUGH MEDIATION, ARBITRATION OR LITIGATION. OUT-OF-STATE DISPUTE RESOLUTION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE, ARBITRATE OR MEDIATE WITH US IN LOUISIANA THAN IN YOUR OWN STATE.**
2. **THE 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 COMPARE THESE LAWS.**
3. **IF A BUSINESS YOU OWN SIGNS A FRANCHISE AGREEMENT, YOU AND YOUR SPOUSE WILL BE REQUIRED TO SIGN A PERSONAL GUARANTY, PUTTING YOUR ASSETS AND YOUR SPOUSE'S ASSETS AT RISK.**
4. **THE FRANCHISE AGREEMENT PROVIDES THAT YOU CAN NOT OPEN FOR OPERATION WITHOUT PBFC'S PRIOR WRITTEN CONSENT.**
5. **YOU MUST MAKE MINIMUM ROYALTY PAYMENTS AND ADVERTISING CONTRIBUTIONS REGARDLESS OF YOUR SALES LEVEL. YOUR INABILITY TO MAKE THESE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.**
6. **THE FRANCHISEE WILL BE REQUIRED TO MAKE AN INITIAL INVESTMENT RANGING FROM \$183,143 – \$386,746. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDER'S EQUITY WHICH IS A DEFICIT OF \$534,509.00 AS OF DECEMBER 31, 2018.**
7. **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

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