

## FRANCHISE DISCLOSURE DOCUMENT



**PROFILE FRANCHISING, LLC**  
**A South Dakota Limited Liability Company**  
**1305 W 18th Street, P.O. Box 5039**  
**Sioux Falls, South Dakota 57117-5039**  
**877-373-6069**  
**franchise@profileplan.com**  
**www.profileplan.com**

You will offer individualized weight management programs, goods, and services from a retail location. We also offer area development rights to develop and operate multiple locations within a specific development area under individual franchise agreements.

The total investment necessary to begin operation of a single PROFILE SANFORD franchise ranges from \$445,000 to \$699,500 for a stand-alone store, and from \$183,000 to \$334,200 for an in-facility store. This includes \$289,500 to \$309,500 for a stand-alone store, and \$123,000 to \$158,200 for an in-facility store, that must be paid to the franchisor or affiliate.

If you enter into our multi-unit development agreement, the total investment to develop three PROFILE SANFORD stand-alone stores ranges from \$1,311,500 to \$2,075,000, and for three PROFILE SANFORD in-facility stores ranges from \$525,500 to \$979,100. This includes \$845,000 to \$905,000 for three stand-alone stores, and \$345,500 to \$451,100 for three in-facility stores, that must be paid to the franchisor or affiliate over the term of the development schedule.

However, if you commit to develop three to five units within a development area, the initial franchise fee is \$45,000 for the first unit, and \$40,000 for each additional unit. If you commit to develop six to nine units within a development area, the initial franchise fee is \$35,000 for each unit. If you commit to develop 10 or more units within a development area, the initial franchise fee is \$30,000 for each unit. When you sign franchise agreements for each of the locations, a portion of your development fee payment will be credited against the respective initial franchise fee so that no additional initial franchisee fee will be payable at that time.

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 to 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, D.C. 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 April 12, 2019

PROFILE SANFORD®

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## 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 E** 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 AND MULTI-UNIT AREA DEVELOPMENT AGREEMENT EACH REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION THEN ARBITRATION (AND IN CERTAIN CASES LITIGATION) ONLY IN THE CITY OF OUR THEN-CURRENT PRINCIPAL PLACE OF BUSINESS, CURRENTLY, SIOUX FALLS, SOUTH DAKOTA. OUT-OF-STATE MEDIATION, ARBITRATION OR LITIGATION MAY ENCOURAGE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE OR LITIGATE WITH US IN SIOUX FALLS, SOUTH DAKOTA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND MULTI-UNIT AREA DEVELOPMENT AGREEMENT EACH STATE THAT SOUTH DAKOTA 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 FRANCHISOR'S FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (SEE ITEM 21), CALLS INTO QUESTION THE FRANCHISOR'S FINANCIAL ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU.
4. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM APPROXIMATELY \$445,000 to \$699,500 FOR A STAND-ALONE STORE, AND APPROXIMATELY \$183,000 to \$334,200 FOR AN IN-FACILITY STORE. THIS AMOUNT EXCEEDS THE FRANCHISOR'S MEMBER EQUITY AS OF DECEMBER 31, 2018, WHICH IS \$150,000.
5. YOU MUST MAINTAIN MINIMUM SALES PERFORMANCE LEVELS. YOUR INABILITY TO MAINTAIN THESE LEVELS MAY RESULT IN LOSS OF ANY TERRITORIAL RIGHTS YOU ARE GRANTED, TERMINATION OF YOUR FRANCHISE, AND LOSS OF YOUR INVESTMENT.
6. 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.**

Effective Date: See the next page for state effective dates.

### STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file, or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	April 12, 2019
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	April 15, 2019

In all other states, the effective date of this Franchise Disclosure Document is the issuance date April 12, 2019.

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