

FRANCHISE DISCLOSURE DOCUMENT

Relax The Back Corporation
a Delaware corporation
6 Centerpointe Drive, Suite 120
La Palma, CA 90623
(800) 290-2225
www.RelaxTheBack.com



The franchise being offered is for the right to operate a retail store featuring back-related equipment, furniture and products that we approve under the trade name "RELAX THE BACK®." We also offer an Area Development Agreement on a limited basis.

The total investment necessary to begin operation of a single RELAX THE BACK Store is \$221,000 to \$371,200. This includes \$54,200 to \$64,500 that must be paid to the franchisor or its affiliate(s).

The total investment necessary to begin operation of your first RELAX THE BACK Store if you are an area developer (with the right to develop three units) is \$243,500 to \$383,700. This includes \$76,700 to \$86,800 which you must pay to the franchisor or its affiliate(s), although these amounts will vary depending on the number of units you obtain the right to develop in the Area Development Agreement. For each subsequent Store you develop pursuant to the Area Development Agreement the Initial Franchise Fee will be \$20,000.

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, us 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 our Senior Vice President of Franchising, William McClymonds at 6 Centerpointe Drive, Suite 120, La Palma, CA 90623, telephone (800) 290-2225.

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 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 on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: March 25, 2015

RELAX THE BACK 2015
Franchise Disclosure Document

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, about other franchisors, 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 THE AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN CALIFORNIA. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE OR LITIGATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.**
2. **THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT DELAWARE LAW GOVERNS THESE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
3. **FRANCHISEE WILL NOT RECEIVE AN EXCLUSIVE TERRITORY AND MAY FACE COMPETITION FROM FRANCHISOR, OTHER FRANCHISEES OR OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS CONTROLLED BY FRANCHISOR.**
4. **BEGINNING 24 MONTHS AFTER THE DATE OF THE FRANCHISE AGREEMENT, FRANCHISEE IS SUBJECT TO A “CORRECTION PROCESS” IF FRANCHISEE’S FINANCIAL STATEMENTS ARE NOT ABOVE A SPECIFIED LEVEL.**
5. **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.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/relax-the-back>