

FRANCHISE DISCLOSURE DOCUMENT

Relax The Back Corporation
a Delaware corporation
4600 E. Conant
Long Beach, CA 90808-2414
(800) 290-2225
www.RelaxTheBack.com



The franchise being offered is for the right to operate a retail store featuring wellness and back-related equipment, furniture and products that we approve under the trade name “RELAX THE BACK®.”

The total investment necessary to begin operation of a single RELAX THE BACK Store is ~~\$219,700~~231,831 to ~~\$391,300~~401,381. This includes ~~\$36,000~~48,031 to ~~\$43,800~~53,831 that must be paid to the franchisor or its affiliate(s).

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 Vice President of Franchising and Real Estate, Bill McClymonds at 4600 E. Conant, Long Beach, CA 90808-2414, 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 ~~28~~30, ~~2019~~2020

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STATE COVER PAGE

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

~~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 REQUIRES 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 STATES 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. YOU 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, YOU WILL BE SUBJECT TO A CORRECTION PROCESS IF YOUR FINANCIAL STATEMENTS ARE NOT ABOVE OUR SPECIFIED LEVEL. IF YOU FAIL TO SATISFY THE CORRECTION PROCESS AND DO NOT SELL YOUR FRANCHISE TO A THIRD PARTY WE APPROVE WITHIN 180 DAYS, WE MAY TERMINATE THE FRANCHISE AGREEMENT OR REDUCE, ELIMINATE OR OTHERWISE MODIFY YOUR TERRITORIAL RIGHTS.~~

~~5. YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN THOUGH YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.~~

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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~~

<u>QUESTION</u>	<u>WHERE TO FIND INFORMATION</u>
<u>How much can I earn?</u>	<u>Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit C.</u>
<u>How much will I need to invest?</u>	<u>Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.</u>
<u>Does the franchisor have the financial ability to provide support to my business?</u>	<u>Item 21 or Exhibit B includes financial statements. Review these statements carefully.</u>
<u>Is the franchise system stable, growing, or shrinking?</u>	<u>Item 20 summarizes the recent history of the number of company-owned and franchised outlets.</u>
<u>Will my business be the only Relax The Back business in my area?</u>	<u>Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.</u>
<u>Does the franchisor have a troubled legal history?</u>	<u>Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.</u>
<u>What’s it like to be a Relax The Back franchisee?</u>	<u>Item 20 or Exhibit C and Exhibit D list current and former franchisees. You can contact them to ask about their experiences.</u>

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>