

FRANCHISE DISCLOSURE DOCUMENT

GloStation Franchising USA, Inc.

a Delaware corporation
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Under this Disclosure Document, we offer a franchise for the operation of a facility offering live-action, hyper reality experiences, including virtual reality and physical adventures with a full body tracking system, operating under the name “Sandbox VR™”. Sandbox VR facilities operate using the franchisor’s proprietary marks, proprietary designs, system and trade secrets.

The total investment necessary to begin operation of a standard Sandbox VR franchise is \$473,500 to \$677,000. This includes \$256,500 that is to be paid to the franchisor and/or its affiliate or parent.

We also offer a Multi-Unit Development Agreement for the development of three or six Sandbox VR facilities within a defined area. If you enter into a Multi-Unit Development Agreement to develop three facilities, you will pay development fee equal to \$100,000, and the estimated initial investment will be \$523,500. This includes \$306,500 which must be paid to the franchisor and/or its affiliate or parent. If you enter into a Multi-Unit Development Agreement to develop six facilities, you will pay a development fee equal to \$150,000, and the estimated initial investment will be \$777,000. This includes \$356,500 which must be paid to the franchisor and/or its affiliate or parent.

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 the 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 Joseph Freschi at 4695 Chabot Drive, Suite 200, Pleasanton, California, 94588, and joseph.freschi@gloinc.io.

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 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.

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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 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 AND MULTI-UNIT DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN CALIFORNIA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT STATE THAT DELAWARE 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 FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$473,500 TO \$777,000. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDER'S EQUITY AS OF FEBRAURY 23, 2018, WHICH IS \$200,000.
4. THE FRANCHISOR HAS OWNED AND OPERATED A BUSINESS SIMILAR TO THE FRANCHISED BUSINESS, WHICH IS LOCATED IN HONG KONG. THE FRANCHISOR HAS NOT OWNED OR OPERATED A BUSINESS SIMILAR TO THE FRANCHISED BUSINESS IN THE UNITED STATES.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may 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 next page for state effective dates

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