FRANCHISE DISCLOSURE DOCUMENT



SPIN GLOBAL MANAGEMENT LLC a New York LLC 304 Park Avenue South New York, NY 10010 212-982-8802 andrew@spingalactic.com www.spingalactic.com



You, the franchisee, will operate an independently owned ping pong social club that sells food and beverages along with ping pong table time in a facility incorporating unique design features and operational standards specified by SPiN GLOBAL MANAGEMENT LLC ("SPiN" or the "Franchisor"). The total investment necessary to begin operation of a SPiN franchise ranges from \$1,598,000 to \$2,535,000 depending upon the size of the proposed facility and the state of key infrastructure present in the facility. The total investment includes \$100,000, which must be paid to the Franchisor or an affiliate of the Franchisor.

This disclosure document summarizes certain provisions of your franchise agreement (Franchise Agreement) and other information in plain English. Read this disclosure document and all 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 government agency has verified the information contained in this document.

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.

Issued: December 26, 2012

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 THE 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 REQUIRES YOU TO LITIGATE WITH US ONLY IN NEW YORK, NEW YORK. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN NEW YORK THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT NEW YORK 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. EACH OF THE FRANCHISE OWNERS, PARTNERS, MEMBERS, SHAREHOLDERS AND TRUSTEES MUST SIGN A PERSONAL GUARANTY MAKING THEM JOINTLY AND SEVERALLY LIABLE FOR ALL DEBTS AND OBLIGATIONS OF THE FRANCHISE WHETHER OR NOT THEY ARE INVOLVED IN THE OPERATION OF THE FRANCHISE BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF YOU AND YOUR OWNERS AT RISK.
- 4. THE FRANCHISE AGREEMENT PERMITS US TO DEVELOP AND OPERATE, OR GRANT OTHERS THE RIGHT TO DEVELOP AND OPERATE, FACILITIES OTHER THAN THE TYPE YOU MUST OPERATE IN YOUR TERRITORY DURING THE TERM OF YOUR FRANCHISE AGREEMENT. THIS MAY RESULT IN A DIFFERENT PERSON CONTROLLING A DIFFERENT TYPE OF FACILITY IN YOUR TERRITORY DURING THE TERM OF YOUR FRANCHISE AGREEMENT.
- 5. IN THE EVENT OF EARLY TERMINATION OF THE FRANCHISE AGREEMENT, YOU MUST PAY US THE SUM PRODUCED BY MULTIPLYING 12 BY THE AVERAGE ACTUAL MONTHLY ROYALTY FEE FOR WHICH YOU WERE OBLIGATED DURING THE TERM.
- 6. 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.

State registration effective dates are listed on the following State Registrations page.



SPIN GLOBAL MANAGEMENT LLC

STATE REGISTRATIONS

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

State	Effective Date	
California	Pending	
Hawaii		
Illinois	Pending	
Indiana		
Maryland		·
Michigan	Pending	
Minnesota		
New York	Pending	
North Dakota		
Rhode Island		
South Dakota		
Utah		
Virginia		
Washington	Pending	
Wisconsin		

In the states listed below, the effective date of this Disclosure Document is the Issuance Date of December 26, 2012.

Alabama	Kansas	New Jersey
Alaska	Louisiana	New Mexico
Arizona	Maine	North Carolina
Arkansas	Massachusetts	Ohio
Colorado	Mississippi	Oklahoma
Connecticut	Missouri	Oregon
Delaware	Montana	Pennsylvania
District of Columbia	Nevada	South Carolina
Florida	New Hampshire	Tennessee
Georgia	New Jersey	Vermont
Idaho	Nevada	West Virginia
lowa	New Hampshire	Wyoming

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