

**CALIFORNIA
ADDENDUM TO DISCLOSURE DOCUMENT**

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California Corporations Code Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Corporations, prior to a solicitation of a proposed material modification of an existing franchise

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THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS at www.corp.ca.gov

1 The following language is added to the end of Item 3 of the Disclosure Document

Neither we nor any person identified in Item 2, or an affiliate or franchise broker offering franchises under our principal trademark, is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934 (15 U S C A § 78(a) et seq.), suspending or expelling such person from membership in such association or exchange

2 The following paragraphs are added at the end of Item 17 of the Disclosure Document

The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void

California Business and Professions Code Sections 20034 through 20043 provides rights to franchisees concerning termination or non-renewal of a franchise If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control

The Franchise Agreement provides for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C A § 101 et seq.)

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise This provision may not be enforceable under California law but we will enforce it to the extent enforceable

The Franchise Agreement contains a liquidated damages clause Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable

The Franchise Agreement requires binding arbitration The arbitration will occur at San Francisco, California with the costs being borne by the party initiating the claim

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 230040 5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

**NOTICE OF SALES OF FRANCHISE ON TERMS DIFFERENT FROM REGISTERED OFFER
PURSUANT TO SECTION 31109.1 OF CALIFORNIA CORPORATIONS CODES
(FRANCHISE INVESTMENT LAW)**

The following are summary descriptions of each material negotiated term that was negotiated by TDM FRANCHISE COMPANY, LLC for California franchise sales during the 12 month period ending December 31, 2012

- 1) a) Name of franchisee Desormias Corporation
Contact person Jessica Chilvers
Address 52 Mission Circle, Suite 125, Santa Rosa, CA 95409
Telephone number (707) 623-9577

b) Modification of Franchise Agreement, Section 2 2 7 - Description of Provisions in Currently Registered Franchise Disclosure Document

Franchise Agreement, Section 2 2 7 reads as follows

“Franchisee shall pay Franchisor a fee for the right to obtain an extended term in the amount of \$10,000 ”

c) Description of Changes

Section 2 2 7 of the Franchise Agreement is hereby deleted in its entirety

d) Modification of Franchise Agreement, Section 4 1 - Descriptions of Provisions in Currently Registered Franchise Disclosure Document

Franchise Agreement, Section 4 1 reads as follows

“4 1 **Initial Franchise Fee.** Franchisee shall pay to Franchisor an initial franchise fee of \$25,000 (the “Initial Franchise Fee”) on the Effective Date The Initial Franchise Fee shall be deemed fully earned and non-refundable when paid, in consideration of Franchisor’s expenses and administrative costs incurred in connection with this Agreement and as compensation for its lost or deferred opportunities to grant these rights to others, for the screening and processing of Franchisee’s application and for consultation with Franchisee on site selection, lease terms and the like ”

e) Description of Changes

Section 4 1 of the Franchise Agreement is hereby amended and rested as follows

“**Initial Franchise Fee.** Franchisee shall pay to Franchisor an initial franchise fee of \$25,000 (the “Initial Franchise Fee”), payable \$12,500 on the Effective Date, and \$12,500 on the date that the Studio opens for business to the public The Initial Franchise Fee shall be deemed fully earned and non-refundable when paid, in consideration of Franchisor’s expenses and administrative costs incurred in connection with this Agreement and as compensation for its lost or deferred opportunities to grant these rights to others, for the screening and processing of Franchisee’s application and for consultation with Franchisee on site selection, lease terms and the like ”

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