

FRANCHISE DISCLOSURE DOCUMENT

THE WELLNESS WAY FRANCHISE LLC

A Wisconsin Limited Liability Company
2525 W Mason Street
Green Bay, WI 54303
Phone: 920-569-6882, ext. 5
Email: franchise@thewellnessway.com
www.thewellnessway.com



The Wellness Way is a network of health restoration clinics that think and act differently to solve the health challenges that others cannot. The Wellness Way Franchise LLC offers a franchise for the establishment and operation of a chiropractic and health restoration clinic using The Wellness Way's unique business system and "The Wellness Way" trademarks.

The total investment necessary to begin operations of The Wellness Way franchise is \$77,400 to ~~\$246,247~~,900. This includes \$26,200 to ~~\$37,100~~\$40,600 that must be paid to the franchisor or affiliate.

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, the franchisor or an affiliate in connection with the proposed franchise sale or grant. **Note, however, that no governmental 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 Christian Walton, 2525 W. Mason Street, Green Bay, WI 54303, cwalton@thewellnessway.com, (920-569-6882 ext. 164).

The terms of your contract will govern your franchise relationship. Don't rely on this 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, D.C. 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.

Date of Issuance: April 28, 2025

Special Risks to Consider About *This Franchise*

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Wisconsin. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Wisconsin than in your own state.
2. **Short operating history**. ~~The~~**This** Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise ~~in a system~~ with a longer operating history.
3. **Financial Condition**. The franchisor's financial condition as reflected in its financial statements (See Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
4. **Mandatory minimum payments**. You must make minimum royalty or marketing fund payments regardless of your sales levels. Your inability to make payments may result in termination of your franchise and loss of your investment.
5. **Sales Performance ~~required~~ Requirement**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

operating The Wellness Way Clinic. We will provide our trade secrets and other confidential information to you during training, in the Confidential Operations Manual and as a result of the assistance we furnish you during the term of the franchise. You may only use the trade secrets and other confidential information for the purpose of operating your franchised The Wellness Way Clinic. You may only divulge trade secrets and other confidential information to employees who must have access to it to operate the franchised The Wellness Way Clinic. You are responsible for enforcing the confidentiality provisions as to your employees.

Certain individuals with access to trade secrets or other confidential information, including your shareholders (and members of their immediate families or households), officers, directors, partners, and members, if you are a corporation, limited liability company or other business entity, and your managers, executives, employees and staff, may be required to sign nondisclosure and non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary with the right to enforce those agreements.

All ideas, concepts, techniques or materials concerning the franchised The Wellness Way Clinic and/or the System, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees, and you agree to assign to us all right, title and interest in any intellectual property so developed. Likewise, we will disclose to you concepts and developments of other franchisees that we make part of the System. You must also assist us in obtaining intellectual property rights in any such concept or development if requested.

Your use of the Confidential Operations Manual, trade secrets or other confidential information in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement. Further information about termination of the Franchise Agreement following a default is included in ITEM 17.

ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED ~~THE WELLNESS WAY CLINIC~~ BUSINESS

The franchised The Wellness Way Clinic must always be under the supervision of a Designated Managing Chiropractor and Office Manager, who regularly spend 25 hours or more in the Franchised The Wellness Way Clinic, unless you have received a written approval from TWW for an alternate arrangement. If you are an individual, you must also be the Designated Managing Owner and Designated Managing Chiropractor of the franchise, and you must obtain our consent to select another individual to replace you as the Designated Managing Owner or Designated Managing Chiropractor. If you are a corporation or other business entity, you will select a Designated Managing Owner, a Designated Managing Chiropractor (DMO and DMC may require be the same person), an Office Manager, and a Marketing Coordinator for the franchise, and we may require that the Designated Managing Owner and/or Designated Managing Chiropractor you select are an owner of at least 15% of the equity of the business entity. Your Designated Managing Chiropractor must be a licensed chiropractor with authority to supervise the staff of your The Wellness Way Clinic and must commit to 25 or more hours weekly at the franchised The Wellness Way Clinic.

You must keep us informed at all times of the identity of your Designated Managing Owner, Designated Managing Chiropractor, Office Manager, and Marketing Coordinator. With our approval, an individual may hold multiple designated positions (as described below), but you must: (a) designate to us the person or persons who will hold the positions; (b) obtain our approval for an individual to hold multiple designated positions; and (c) ensure that the designated individual completes all required training for all of the approved designated positions. We may allow (and we may require) that the Designated Managing Chiropractor also be your Designated Managing Owner. Your Designated Managing Owner, Designated Chiropractor, or Designated Office Manager may also hold the position of Designated

w. Choice of law	Section 25.1	Subject to state law, the law of the state of Wisconsin applies, except that disputes over the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.), and disputes over copyrights will be governed by federal copyright laws of the United States.
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ITEM 18. PUBLIC FIGURES

We do not presently use any public figures to promote our franchise.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in ITEM 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this ITEM 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Written substantiation pertaining to these financial performance representations is available for inspection at our principal business address and will be provided upon reasonable request.

The financial performance representations in this Item 19 are a historic representation based on the past performance of existing outlets. The financial performance representations below are based on the historic gross revenues of existing corporate affiliate The Wellness Way Clinics and existing franchised The Wellness Way Clinics for the calendar year 2024. For purposes of this Item 19, gross revenues is defined as total gross receipts, without deductions.

Tables 1 – 4 show the top 3 corporate affiliate clinics, the bottom 3 corporate affiliate clinics and the top 3 franchise clinics and bottom 3 franchise clinics, based on the gross revenues received by all corporate affiliate clinics and franchise clinics open for the entire year. The financial performance representations in tables 1-4 are disclosed by geographic region of The Wellness Way Clinic. The financial performance representation in this Item 19 is listed by geographic region of the clinic location. The geographic regions are: West (Arizona, Colorado, Montana, Oregon, and Utah); Central (Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio, North Dakota, Texas, and Wisconsin); East (Florida, Georgia, Massachusetts, New Hampshire, North Carolina, Pennsylvania, and Tennessee). The geographic location of future operational franchised outlets may differ materially from the geographic location of the affiliate-owned outlets.

Tables 5 -6 show the average and mean gross revenues by-quarter for fiscal year 2024 of corporate affiliate units and franchise units, based on all clinics open for the entire quarter/year represented. The total number of clinics included is reflected in each table.

FOR THE STATE OF ILLINOIS

This Addendum to the Franchise Agreement is agreed to this _____
("Effective Date"), is by and between The Wellness Way Franchise LLC and _____
_____.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor, franchise seller or other person acting on behalf of a Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

1. In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705, the Franchise Agreement for The Wellness Way is amended as follows:

Section 4.1 is amended to provide that payment of the initial franchise fee will be deferred until all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

~~Sections and 20.2 are amended to add:~~

~~No general release shall be required as a condition of renewal or transfer that is intended to require Franchisee to waive compliance with the Illinois Franchise Disclosure Act, 815 ILCS 705, or any other law of Illinois.~~

Sections 18, 19 and 25 are amended to add:

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act (815 ILCS 705/19 and 705/20).

Sections 25.1 and 25.2 are amended to add:

The Franchise Agreement shall be governed by Illinois law. Jurisdiction and venue for court litigations shall be in Illinois. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

~~Section is amended to add:~~

~~No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after Franchisee becomes aware of facts or circumstances reasonably indicating that the Franchisee may have a claim for relief in respect to conduct governed by the Act, or ninety (90) days after delivery to Franchisee of a written notice disclosing the violation, whichever shall first expire.~~

Section 25.6 is deleted in its entirety.

2. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any Franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act **or any other law of Illinois** is void. ~~This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.~~

~~Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.~~

ILLINOIS PROHIBITS THE CORPORATE PRACTICE OF MEDICINE. UNLICENSED INDIVIDUALS AND ENTITIES ARE PROHIBITED FROM OWNING, OPERATING AND MAINTAINING AN ESTABLISHMENT FOR THE STUDY, DIAGNOSIS AND TREATMENT OF HUMAN AILMENTS AND INJURIES, WHETHER PHYSICAL OR MENTAL. See Medical Corporation Act, 805 ILCS 15/2, 5 (West 2018) and Medical Practice Act of 1987, 225 ILCS 60/ (West 2018).

IF YOU NOT LICENSED/CERTIFIED IN ILLINOIS TO PROVIDE SERVICES OF THE NATURE DESCRIBED IN THIS DISCLOSURE DOCUMENT, YOU MUST NEGOTIATE THE TERMS OF A MANAGEMENT AGREEMENT WITH LICENSED PROFESSIONALS WHO WILL PROVIDE THE SERVICES THAT YOUR FRANCHISED BUSINESS OFFERS. RETAIN AN EXPERIENCED ATTORNEY WHO WILL LOOK OUT FOR YOUR BEST INTERESTS IN THIS BUSINESS VENTURE.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum to The Wellness Way Franchise Agreement for the State of Illinois, and understands and consents to be bound by all of its terms.

The Wellness Way Franchise LLC: _____ Franchisee: _____

Sign: _____ Sign: _____

Print Name & Title: _____ Print Name & Title: _____

FOR THE STATE OF MINNESOTA

This Addendum to the Franchise Agreement is agreed to this _____ (“Effective Date”), is by and between The Wellness Way Franchise LLC and _____

1. In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et. seq., the parties to the attached Franchise Agreement agree as follows:

Section 4.1 is amended to provide that payment of the initial franchise fee will be deferred until all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement.

Sections 5 and 18 are amended to add that with respect to Franchises governed by Minnesota Law, Franchisor will comply with the Minnesota Franchise Law that requires, except in certain specified cases, that Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Agreement.

Sections 4.2.8 , 9.2, 18.2.3 and 18.2.6 do not provide for a prospective general release of any claims against Franchisor that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

Section 4.9 is amended to provide that pursuant to Minnesota Statute 604.113, the nonsufficient funds charge shall be thirty dollars (\$30).

Section 7 is amended to add that as required by Minnesota Franchise Act, The Wellness Way Franchise LLC will reimburse you for any costs incurred by you in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by The Wellness Way Franchise LLC, and so long as The Wellness Way Franchise LLC is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

Section 25.4 is amended to state that any claim concerning the Franchised The Wellness Way Clinic or this Agreement or any related agreement will be barred unless an arbitration or an action for a claim that cannot be the subject of arbitration is commenced within three (3) years from the date on which Franchisee or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to or the claim.

Section 25.5 is deleted in its entirety.

Section 25.6 is deleted in its entirety.

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of Franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee’s rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. However, Franchisor may seek such relief through the court system with or without a bond as determined by a court. Minn. Rule Part 2860.4400J prohibits Franchisee from waiving its rights to a jury trial or waiving

FOR THE STATE OF ILLINOIS

Payment of Initial Fees, including the initial franchise fee, for franchises purchased in Illinois will be deferred until all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

~~For choice of law purposes, and for the interpretation and construction of the Franchise Agreement, the Illinois Franchise Disclosure Act, 815 ILCS 705 governs.~~

~~No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of 1 year after the franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to the franchisee of a written notice disclosing the violation, whichever shall first expire.~~

~~Illinois law governs the Franchise Agreement (without regard to conflict of laws), and jurisdiction and venue for court litigation shall be in Illinois.~~

Illinois law governs the Agreements.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in the franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/19 and 705/20.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor-, franchise seller, or other person acting on behalf of a Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ILLINOIS PROHIBITS THE CORPORATE PRACTICE OF MEDICINE. UNLICENSED INDIVIDUALS AND ENTITIES ARE PROHIBITED FROM OWNING, OPERATING AND MAINTAINING AN ESTABLISHMENT FOR THE STUDY, DIAGNOSIS AND TREATMENT OF HUMAN AILMENTS AND INJURIES, WHETHER PHYSICAL OR MENTAL. See Medical Corporation Act, 805 ILCS 15/2, 5 (West 2018) and Medical Practice Act of 1987, 225 ILCS 60/ (West 2018).

IF YOU ARE NOT LICENSED/CERTIFIED IN ILLINOIS TO PROVIDE SERVICES OF THE NATURE DESCRIBED IN THIS DISCLOSURE DOCUMENT, YOU MUST NEGOTIATE THE TERMS OF A MANAGEMENT AGREEMENT WITH LICENSED PROFESSIONALS WHO WILL PROVIDE THE SERVICES THAT YOUR FRANCHISED BUSINESS OFFERS. RETAIN AN EXPERIENCED ATTORNEY WHO WILL LOOK OUT FOR YOUR BEST INTERESTS IN THIS BUSINESS VENTURE.

The Wellness Way Franchise LLC: _____ Franchisee: _____

Sign: _____ Sign: _____

Print Name & Title: _____ Print Name & Title: _____

FOR THE STATE OF MINNESOTA

1. 1. ITEMS 5 and 7 of the Disclosure Document are amended to provide that payment of the initial franchise fee will be deferred until all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement.

2. ITEM 13 of the Disclosure Document is amended as follows:

As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any costs incurred by you in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by us, and so long as we are timely notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

23. ITEM 17 of the Disclosure Document is amended as follows:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Agreement.

ITEM 17 shall not provide for a prospective general release of claims against us that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

<u>State</u>	<u>Effective Date of Order</u>
California	Not registered
Hawaii	Not registered
Illinois	Pending <u>07-23-25</u>
Indiana	Not registered
Maryland	Not registered
Michigan	Pending <u>07-08-25</u>
Minnesota	Pending
New York	Not registered
North Dakota	Not registered
Rhode Island	Not registered
South Dakota	Not registered <u>07-09-25</u>
Virginia	Not registered
Washington	Not registered
Wisconsin	Pending <u>07-03-25</u>

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.