

## FRANCHISE DISCLOSURE DOCUMENT



**Sparkle Franchising LLC**  
4250 N Drinkwater Blvd, Suite 165  
Scottsdale, AZ 85251  
(480) 550-8159  
hello@sparkledogcare.com

This disclosure document is for the right to own and operate a franchise wellness-focused dog grooming salon (“Salon”) specializing in providing routine hygiene and grooming services for pet owners to keep your furry family members clean, healthy, and happy at a specific location under the trademarks “Sparkle,” and “Sparkle Grooming Co.” and other trademarks that we specify and designate (collectively the “Marks”).

The total investment necessary to begin operation of a Sparkle franchise ranges from \$235,750 to \$472,750. This includes \$48,750 to \$56,250 that must be paid to us or our affiliates. The total investment to begin operation of a Sparkle Development Agreement is \$58,000 to \$145,000. This includes \$58,000 to \$145,000 that must be paid to the Franchisor or its affiliates. The range of Development Fees reflects your purchase of between ~~three~~two (32) and ~~six~~five (65) additional franchise agreements although you may purchase more franchise agreements. The Development Fee is calculated by multiplying the applicable Initial Franchise Fee by the number of purchased franchise agreements.

This disclosure document (“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 fourteen (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 Lyle Myers, Chief Development Officer, Sparkle Franchising LLC, 4250 N Drinkwater Blvd, Suite 165, Scottsdale, AZ 85251, (480) 550-8159, hello@sparkledogcare.com.

The terms of your contract will govern your franchise relationship. Don’t rely on the Disclosure Document alone to understand your contract. Read your entire 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](http://www.ftc.gov) for additional information on franchising. Call your state agency or visit your public library for other sources of information on franchising.

There may be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: **April 29, 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 or litigation only in Arizona. Out-of- state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate or litigate with franchisor in Arizona than in your state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even if your spouse has no ownership interest in the franchise. This guarantee will place both you and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Short Operating History.** 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.
4. **Mandatory Minimum Payments.** You must make minimum advertising payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
5. **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.
6. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
7. **Franchisor's Right to Buy Back Franchise for Any Reason.** The franchise agreement gives the franchisor a unilateral right to buy your business for any reason or no reason before the franchise expires or is terminated. As a result, you may be required to sell your business for a price that might be below the value of the business if you sold to a third party instead.
8. **Unopened Franchises.** [The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.](#)

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.

We reserve the right to offer other Initial Franchise Fee discounts on a case-by-case basis. For example, we may offer a discount as an inducement for a franchisee to open a Salon in a substandard market.

All Initial Franchise Fees are fully earned and non-refundable.

**Technology Fee.**

You will pay us a non-refundable Technology Fee of \$2,250 for of our proprietary office management software and other required software necessary for the operation of your Salon for the first three (3) months that your Salon is open for business when you execute a lease agreement for your Sparkle Salon.

**Technology Purchase**

You will pay us or a third party an estimated \$7,500 - \$12,000 for purchasing and installing required computer hardware, tablets, software, and related supplies. This amount may vary depending upon the size of your Salon.

**Initial Training Fee.**

The cost of the Initial Training Program for Franchisee (or its Operating Principal) and Franchisee's Manager are included in the Initial Franchise Fee. If you desire to bring additional people to the Initial Training Program, we may charge you \$0 - \$3,000 per additional person attending the Initial Training Program. This fee is not refundable.

**Development Fee.**

If you sign a Development Agreement, you will pay us a Development Fee. The Development Fee is calculated by multiplying the number of Salons that you have agreed to open in the Development Area by the Initial Franchise Fee for each such Salon. As long as you sign a Franchise Agreement and pay the Initial Franchise Fee for your first Sparkle Salon, the Development Fee will be \$29,000 per additional Sparkle Salon. This fee is non-refundable.

You will not pay any additional fees in connection with your execution of a Development Agreement. If and when you sign a Franchise Agreement, you will be obligated to pay those initial fees associated with the Franchise Agreement including the Initial Training Fee each of which are detailed in this Item 5.

The fees we charge you are uniformly imposed regardless of whether you are opening a new Salon or converting an existing third party business into a Salon.

**ITEM 6  
OTHER FEES**

**OTHER FEES**

<b>Fee (1), (2)</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty Fee	7% of Net Sales	Bi-monthly on the 3rd and 17 <sup>th</sup> based upon Net Sales for the prior 1/2 month. (2)	Based on bi-monthly Net Sales (3).

Fee (1), (2)	Amount	Due Date	Remarks
			incur, such as for travel, meals, and lodging. You are responsible for all costs you incur (including travel, meals, lodging, wages, etc.) for any of your personnel that attend training.
Meeting Fee	<del>Currently</del> \$1,000 per person	Upon invoice	We may require that the franchise owners attend periodic franchise owner meetings. We may charge you the Meeting Fee for each owner that attends. The Meeting Fee does not include the costs you incur for travel, meals, and lodging, which are also your responsibility. We may increase the Meeting Fee upon written notice to you if our costs of organizing and providing the meeting increases. We may charge the Meeting Fee to you even if you do not attend the associated meeting.
Remediation Training Fee	We may charge you up to \$1,000 per day per person participating in remediation training program. You agree to pay all travel and living expenses incurred by you and your employees and/or our employees during all training courses and programs.	Upon invoice.	We may require you and/or your managers and employees to complete remediation training if we believe you or your employees require additional training to operate your Sparkle Salon to our standards. We may charge you a Remediation Training Fee if we elect to provide you with this training.
Insurance (5)	Our cost to obtain insurance coverage for you and plus a \$500 administrative fee per event. and any other fees, including attorneys' fees, incurred by us	Upon invoice	Payable if you fail to maintain required insurance coverage and we obtain coverage for you.
Successor Franchise Fee	25% of the <del>then-current</del> initial franchise fee	Payable upon renewal of the Franchise Agreement.	
Transfer Fee (6)	\$15,000 per transfer subject to applicable state law	Payable upon your request to transfer your Salon	Applies to any transfer of the Franchise Agreement or any change of ownership of the franchisee.

Fee (1), (2)	Amount	Due Date	Remarks
Relocation Fee (7)	\$2,500 per relocation		Applies to the relocation of a Salon in the same market and as approved by us.
Management Fee (8)	The greater of (i) two times the salary paid to the individual(s) assigned by us to operate the Salon, or (ii) 10% of the Salon's monthly Net Sales; plus, expenses for travel, lodging, meals, and all other expenses.	Payable on a monthly basis at the same time as Royalties and Brand Fund contributions if we manage your Salon for you	Payable if we manage your Salon.
Alternative Supplier Fee	Our costs of testing new products or inspecting suppliers you propose (amount depends on circumstances, including supplier's location, testing required, and item involved).	Upon invoice	If you propose a new supplier or product for our approval, we may charge you the supplier review fee.
Legal Costs and Attorney's Fees	All legal costs and attorneys' fees that we incur in exercising our rights under the terms of the Franchise Agreement	Upon invoice	Payable if we must enforce the Franchise Agreement, or defend our actions related to, or against your breach of, the Franchise Agreement.
Indemnification	All amounts (including attorney's fees) incurred by us or otherwise required to be paid by us arising or related to the operation of your Salon	As incurred	Payable to indemnify us, our affiliates, and our and their respective owners, officers, directors, employees, agents, successors and assigns against all claims, liabilities, costs, and expenses related to your ownership and operation of your franchise
Late Report Fee	\$250 per week	Upon invoice	We may charge a late report fee of \$250 for each week following the due date that you do not submit any report to us.
De-identification	All amounts incurred by us	As incurred	Payable if we de-identify the franchise upon its termination, relocation, or expiration
Termination Fee(9)	50% of the <del>n-current</del> initial franchise fee, plus our attorney's fees and costs	On demand	If you or we terminate your franchise before your franchise term expires
Maintenance Cost Reimbursement	Costs we incur to bring the appearance of your Salon into compliance with our standards if you fail to do so upon our written request	On demand	Payable if we notify you that your Salon does not meet our then current standards, you do not improve the appearance of your Salon to meet our then current standards, and we incur costs

Fee (1), (2)	Amount	Due Date	Remarks
			and expenses to improve your Salon to meet our then current standards
Customer Complaint Reimbursement	Costs we incur to resolve complaints for your customers if you fail to reasonably satisfy such complaints	Upon demand	Payable if you fail to reasonably resolve one or more customer complaints and we resolve such complaint on your behalf.
Development Agreement Extension Fee	\$2,500 per month	Monthly	You may extend the Development Deadline to open a Sparkle Salon, on a month to month basis, by paying us the Extension Fee.

The tables above and accompanying notes describe the nature and amount of all other fees that you must pay to us or our affiliates, or that we or our affiliates impose or collect in whole or in part for a third party, whether on a regular periodic basis or as infrequent anticipated expenses, in operating your Salon.

**Explanatory Notes:**

(1) All fees are generally uniform, and imposed by, collected by, and payable to us. In certain instances, we may waive or defer some of the fees set forth in the table. However, we will not do so unless we determine in our sole and absolute discretion that it is in the best interest of the franchise system as a whole. **All fees are nonrefundable.**

(2) You must pay all amounts due to us by automatic debit. After you sign the documents we require to debit your business checking account automatically for the amounts due, we will debit your bank account for the Royalty Fee, Brand Fund Contribution, and other amounts you owe us, including administrative fees. You must make funds available for withdrawal from your account before each due date.

If you do not accurately report your Salon’s Net Sales for any period, we may debit your account for 120% of the Royalty Fee and Brand Fund Contribution amounts that we debited during the previous period. If the Royalty Fee and Brand Fund Contribution amounts we debit are less than the Royalty Fee and Brand Fund Contribution amounts you actually owe us (once we determine the Salon’s actual Net Sales for the period), we will debit your account for the balance on the day we specify. If the Royalty Fee and Brand Fund Contribution amount we debit is greater than the Royalty Fee and Brand Fund Contribution amount you actually owe us, then we will credit the excess amount, without interest, against the amount we otherwise would debit from your account during the following period.

(3) “Net Sales” means the total of all revenue and receipts derived from the operation of the Salon, including all amounts received at or away from the Salon, or through the business the Salon conducts (such as fees for Services, fees for the sale of products, gift card sales, and revenue derived from products sales, whether in cash or by check, credit card, debit card, barter or exchange, or other credit transactions); and excludes only sales taxes collected from customers and paid to the appropriate taxing authority, and customer refunds.

(4) We charge a monthly fee in exchange for use of our proprietary software and other required software necessary to operate your Salon (the “**Technology Fee**”). The Technology Fee is ~~currently~~ \$750 per month. We reserve the right to increase the Technology Fee up upon 30 days prior written notice to you although any increase in the Technology Fee will only be based upon an increase in our costs and expenses in providing technology services to you.

(2) The range of estimated Development Fee reflects your purchase of between ~~threetwo~~ (32) and ~~sixfive~~ (65) additional franchise agreements in the Development Area. The range of estimated Development Fees reflects the Initial Franchise Fee multiplied by the number of Salons that you and we agree that you may open in the Development Area.

(3) If and when you sign a franchise agreement for those Sparkle Salons included in your Development Agreement, you will incur the expenses identified in the chart above in connection with the opening of each Sparkle Salon.

(4) You are not obligated to execute a Development Agreement or pay us a Development Fee. The Development Fee is only paid if you agree to open additional Sparkle Salons.

(5) You are required to enter into a Franchise Agreement for one (1) Salon before you may enter into a Development Agreement with us and will incur those costs in connection with the opening of that Salon. The estimated costs to enter into a Development Agreement with us do not include the estimated costs to open and operate a Sparkle Salon. You will incur all of the expenses in the first Item 7 table with respect to each location that you actually open. This range does not include any of the costs you will incur in opening any additional Salons that you are granted the right to open and operate under your Development Agreement.

## **ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

### **Required Purchases of Goods and Services**

You must purchase certain products, supplies, insurance, inventory, signage, fixtures, furniture, equipment, décor software and other specified items under specifications and standards that we periodically establish in our Manual or other notices we send to you from time to time. These specifications are established to provide standards for performance, durability, design, and appearance and support the System. You must purchase such products, supplies, insurance, etc. required for the operation of your Salon solely from suppliers (including distributors, manufacturers, and other sources) who have been approved in writing by Franchisor, as set forth in the Manual (“Approved Suppliers”). You are not allowed to purchase any item except from an Approved Supplier. When selecting suppliers, we consider all relevant factors, including the quality of goods and services, service history, years in business, capacity of supplier, financial condition, terms, and other requirements consistent with other supplier relationships. We maintain written lists of approved items of equipment, fixtures, inventory, and supplies (by brand name and/or by standards and specifications) and lists of Approved Suppliers for those items. All Approved Suppliers will be listed in the Manual, which must always be followed, as modified and updated by Franchisor. We will notify you whenever we establish or revise any of our standards or specifications, or if we designate or change Approved Suppliers for products, equipment, or services at least 30 days prior to the effective date of the change. We may notify you of these changes electronically by email.

We are currently an Approved Supplier of the technology hardware package that you must use to operate the Salon. Other than Franchisor, there are no Approved Suppliers in which any of our officers owns an interest. We may designate ourselves or a third party to be the exclusive supplier for certain products or services at any time in the future upon written notice to you. If we do, you will be required to discontinue using other suppliers for these products or services. You must comply with our requirements to purchase or lease real estate, goods, and services according to our specifications and/or from Approved Suppliers to be eligible to renew your franchise agreement. Failure to comply with these requirements will render you ineligible for renewal and may be a default allowing us to terminate your franchise.

### **Approval of Alternative Suppliers**

Franchisor does not have any specific written criteria for supplier selection and does not intend at this time to prepare one. Therefore, Franchisor will not furnish its criteria for supplier approval to Franchisees. If you

**EXHIBIT A**  
**STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS**

Federal Franchise Regulators:  
Federal Trade Commission  
Division of Marketing Practices  
Seventh and Pennsylvania Avenues, N.W., Room 238  
Washington, DC 20580  
202-326-2970

**List of State Administrators**

**CALIFORNIA:**

Department of Financial Protection  
and Innovation  
1-866-275-2677

**Los Angeles**

320 West 4th Street, Suite 750  
Los Angeles, CA 90013-2344  
(213) 576-7500

**Sacramento**

[2101 Arena Blvd. 651 Bannon  
Street, Suite 300](#)

Sacramento, CA 95834  
(916) 445-7205

**San Diego**

1350 Front Street, Room 2034  
San Diego, CA 92101-3697  
(619) 525-4233

**San Francisco**

One Sansome Street, Suite 600  
San Francisco, CA 94104  
(415) 972-8559

**CONNECTICUT**

The Banking Commissioner,  
The Department of Banking,  
Securities and Business Investment  
Division  
260 Constitution Plaza  
Hartford, CT 06103-1800

**HAWAII:**

Commissioner of Securities,,  
Department of Commerce and  
Consumer Affairs, Business  
Registration Division Securities  
Compliance Branch, 335 Merchant  
Street, Room 203, Honolulu, Hawaii  
96813, (808) 586-2722

**ILLINOIS:**

Illinois Attorney General  
500 South Second Street,  
Springfield, IL 62706, (217) 782-  
4465

**INDIANA:**

Securities Commissioner, Securities  
Division, Room E-111, 302 West  
Washington Street, Indianapolis, IN  
46204, (317) 232-6681

**MARYLAND:**

Office of the Attorney General, Division  
of Securities, 200 St. Paul Place,  
Baltimore, MD 21202-2021  
(410) 576-6360

**MICHIGAN:**

Kathryn Barron  
Franchise Administrator Antitrust and  
Franchise Unit, Consumer Protection  
Division, Department of Attorney  
General  
670 Law Building, 525 W. Ottawa  
Street, Lansing, MI 48913  
(517) 373-7117

**MINNESOTA:**

Commissioner, Department of  
Commerce, 85 7th Place East, Suite  
#280, St. Paul, MN 55101  
(651) 539-1600

**NEW YORK:**

NYS Department of Law, Investor  
Protection Bureau, 28 Liberty Street,  
21st Fl, New York, NY 10005  
212-416-8222

**NORTH DAKOTA:**

North Dakota Securities Department  
State Capitol, 600 East Boulevard  
Avenue, 14th Floor Dept 414, Bismarck,  
ND 58505-0510, (701) 328-4712

**OREGON:**

Div. of Finance & Corp. Securities  
(608) 266-8557

Department of Consumer &  
Business Services, Room 410,  
350 Winter Street, NE, Salem,  
OR 97301-3881  
(503) 378-4140

**RHODE ISLAND:**

Department of Business  
Regulation Securities Division,  
Bldg. 69, First Floor, John O.  
Pasture Center, 1511 Pontiac  
Avenue, Cranston, Rhode Island  
02920  
(401) 462-9585

**SOUTH DAKOTA:**

Franchise Administrator  
Division of Insurance, Securities  
Regulation, 124 South Euclid,  
Suite 104, Pierre, SD 57501  
(605) 773-3563

**VIRGINIA:**

State Corporation Commission  
Division of Securities & Retail  
Franchising, 1300 East Main  
Street, 9th Floor, Richmond, VA  
23219  
(804) 371-9051

**WASHINGTON:**

Securities Division, Department  
of Financial Institutions,  
P.O. Box 41200, Olympia, WA  
98504-1200 (360) 902-8760

**WISCONSIN:**

Division of Securities, Bureau of  
Regulation & Enforcement  
Department of Financial  
Institutions, 4<sup>th</sup> Floor, 345 W.  
Washington Avenue, Madison,  
WI 5370

## List of Agents for Service of Process

### ARIZONA

United Corporate Services, Inc.  
7226 E Maverick Rd,  
Scottsdale, AZ 85258

### CALIFORNIA

Commissioner of Financial  
Protection and Innovation  
Department of Financial Protection  
and Innovation, ~~2101 Arena Blvd.~~,  
[651 Bannon Street, Suite 300](#)  
Sacramento, CA 9583411

### HAWAII

Commissioner of Securities  
Department of Commerce and  
Consumer Affairs, Business  
Registration Division, Securities  
Compliance Branch, 335 Merchant  
Street, Room 203, Honolulu,  
Hawaii 96813

### ILLINOIS

Illinois Attorney General  
500 South Second Street  
Springfield, IL 62706

### INDIANA

Securities Commissioner, Indiana  
Secretary of State, 201 State  
House, Indianapolis, IN 46204

### MARYLAND

Maryland Securities Commissioner  
200 St. Paul Place, Baltimore, MD  
21202-2020  
410.576.6360

### MICHIGAN

Michigan Department of  
Commerce Corporations and  
Securities Bureau, 6546 Mercantile  
Way, Lansing, MI 48910

### MINNESOTA

Minnesota Commissioner of  
Commerce  
85 7th Place East, Suite #280  
St. Paul, MN 55101  
651-539-1600

### NEW YORK

New York Secretary of State  
99 Washington Avenue, Albany,  
NY 12231-0001

### NORTH DAKOTA

Securities Commissioner of North  
Dakota, State Capitol, 600 East  
Boulevard Avenue, 14 Floor Dept  
414, Bismarck, ND 58505

### RHODE ISLAND

Director of Department of Business  
Regulation, Securities Division,  
John O. Pastore Center, Bldg. 69,  
1<sup>st</sup> Floor, 1511, Pontiac Avenue,  
Cranston, RI 02920  
(401) 462-9585

### SOUTH DAKOTA

Director, Division of Insurance  
Securities Regulation, 124 S.  
Euclid Suite 104, Pierre, SD 57501  
(605) 773-3563

### VIRGINIA

Clerk, Virginia State Corporation  
Commission, 1300 East Main  
Street, 1st Floor, Richmond, VA  
23219  
(804) 371.9733

### WASHINGTON

Director, Securities Division,  
Department of Financial  
Institutions, 150 Israel Road, SW  
Tumwater, WA 98501

### WISCONSIN

Wisconsin Commissioner of  
Securities, Department of Financial  
Institutions, 4th Floor, 345 W.  
Washington Avenue, Madison, WI  
53703

**ADDENDUM TO FRANCHISE AGREEMENT  
REQUIRED FOR CALIFORNIA FRANCHISEES**

No statement, questionnaire, or acknowledgment 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Section 30 from the Franchise Agreement is deleted in its entirety.

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

**Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.**

IN WITNESS WHEREOF, the Parties have executed this Addendum to Franchise Agreement as of

\_\_\_\_\_.

**SPARKLE FRANCHISING LLC**

**FRANCHISEE**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**ADDENDUM TO FRANCHISE AGREEMENT  
REQUIRED FOR ILLINOIS FRANCHISEES**

Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of 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.

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.

Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

No statement, questionnaire, or acknowledgment 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the Parties have executed this Addendum to Franchise Agreement as of \_\_\_\_\_.

**SPARKLE FRANCHISING LLC**

**FRANCHISEE**

\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Therefore, you agree that, in the event of a default or threatened default of any of the terms of this Agreement by you, we are entitled to seek injunctive relief (both preliminary and permanent) restraining that default and/or to specific performance. A court will determine if a bond or security must be posted.

9. Any capitalized term that is not defined in this Addendum shall have the meaning given it in the Franchise Agreement.

10. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

11. Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Minnesota Department of Commerce due to Franchisor's financial condition.

IN WITNESS WHEREOF, the Parties have executed this Addendum to Franchise Agreement as of \_\_\_\_\_.

**SPARKLE FRANCHISING LLC**

**FRANCHISEE**

\_\_\_\_\_  
By: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## REQUIRED BY THE STATE OF CALIFORNIA

CALIFORNIA CORPORATIONS CODE SECTION 31125 REQUIRES THAT THE FRANCHISOR GIVE THE FRANCHISEE A DISCLOSURE DOCUMENT APPROVED BY THE [CALIFORNIA DEPARTMENT OF CORPORATIONS FINANCIAL PROTECTION AND INNOVATION](#), PRIOR TO A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

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.

Neither we nor any person or franchise identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such persons from membership in that association or exchange.

The California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination and non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control. We may not terminate your franchise except for good cause, and we must give you a notice of default and a reasonable opportunity to cure the defects (except for certain defects specified in the statute, for which no opportunity to cure is required by law). The statute also requires that we give you notice of any intention not to renew your franchise at least 180 days before expiration of the Franchise Agreement.

You must sign a general release if you renew or transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of your franchise. This provision may not be enforceable under California law.

No statement, questionnaire, or acknowledgment 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

THE FRANCHISE AGREEMENT REQUIRES APPLICATION OF THE LAW OF ARIZONA. THIS PROVISION MAY NOT BE ENFORCEABLE UNDER CALIFORNIA LAW.

To the extent permitted by law, you and we waive any right to or claim for any punitive or exemplary damages against each other and agree that in the event of a dispute between us, each will be limited to the recovery of actual damages only (except in limited circumstances). Each party further waives trial by jury and, to the extent permitted by law, all claims arising out of or relating to the Franchise Agreement must be brought within one year from the date on which you or we knew or should have known of the facts giving rise to such claims (except for claims relating to nonpayment or underpayment of amounts you owe us).

The Franchise Agreement requires mediation. The mediation will occur at the office of the American Arbitration Association Office closest to our principal executive offices. 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 20040.5, Code of Civil Procedure Section 1281) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at [www.dbo.ca.gov](http://www.dbo.ca.gov) [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

### **REQUIRED BY THE STATE OF HAWAII**

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Item 20 of this Disclosure Document will be amended by the addition of the following paragraph:

As of the dates listed in Attachment 1, this franchise offering is or will be effective in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin and exempt from registration in Arizona and Utah. No states have refused, by order or otherwise, to register these franchises. No states have revoked or suspended the right to offer these franchises. The proposed registration of these franchises has not been involuntarily withdrawn in any state.

### **REQUIRED BY THE STATE OF ILLINOIS**

Illinois requires the following additional risk factor:

“Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement, even if 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.”

Item 17 of this disclosure document is supplemented by the addition of the following paragraphs at the end of the chart:

#### State Law

Your rights upon Termination and Non-Renewal of an agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

The Illinois Franchise Disclosure Act will govern any Franchise Agreement if it applies to a subfranchise located in Illinois.

Any condition in the Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action that otherwise is enforceable in Illinois, provided that the Franchise Agreement may provide for mediation in a forum outside of Illinois.

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.

Illinois law governs the Franchise Agreement(s) and Development Agreement(s). Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

No statement, questionnaire, or acknowledgment 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

#### **REQUIRED BY THE STATE OF INDIANA**

The Franchise Agreement contains a covenant not to compete that extends beyond the termination of your franchise. This provision may not be enforceable under Indiana law.

Indiana law makes unilateral termination of your franchise unlawful unless there is a material violation of the Franchise Agreement, and the termination is not done in bad faith.

If Indiana law requires the Franchise Agreement and all related documents to be governed by Indiana law, then nothing in the Franchise Agreement or related documents referring to Arizona law will abrogate or reduce any of your rights as provided for under Indiana law.

Indiana law prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

Any questions regarding this notice should be directed to the Attorney General's Department for the State of Michigan, Consumer Protection Division, Franchise Section, 670 Law Building, 525 W. Ottawa Street, Lansing, Michigan 48913, (517) 373-7117.

### **REQUIRED BY THE STATE OF MINNESOTA**

We will protect your right to use the Marks and/or indemnify you from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the Marks.

Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release. Any release you sign as a condition of renewal or transfer will not apply to any claims you may have under the Minnesota Franchise Law.

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 in advance of termination (with 60 days to cure) and 180 days' notice in advance of nonrenewal of the Franchise Agreement.

Minn. Stat. § 80C.17, Subd. 5, states that no civil action pertaining to a violation of a franchise rule or statute can be commenced more than three years after the cause of action accrues

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Disclosure Document or the 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. Under Minnesota law, we cannot require you to consent to injunction relief; however, we may seek injunctive relief from the Court.

Minn. Rule Part 2860.4400J prohibits us from requiring you to waive your rights to a jury trial or waive your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes.

[Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Minnesota Department of Commerce due to Franchisor's financial condition.](#)

### **REQUIRED BY STATE OF NEW JERSEY**

Liquidated damages are void if unreasonable under the totality of the circumstances, including whether a statute governs the relationship and concerns liquidated damages clauses; and the common practice in the industry.

### **REQUIRED BY THE STATE OF NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS**

**STATE ADDENDA TO THE DEVELOPMENT AGREEMENT**

**CALIFORNIA FRANCHISEES**

No statement, questionnaire, or acknowledgment 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

**SPARKLE FRANCHISING LLC**

**FRANCHISEE**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**STATE ADDENDA TO THE DEVELOPMENT AGREEMENT**

**ILLINOIS FRANCHISEES**

The following is added to the Entire Agreement of the Development Agreement:

Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits, and amendments.

Illinois law governs the ~~Franchise~~Development Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of 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.

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.

Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

No statement, questionnaire, or acknowledgment 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**SPARKLE FRANCHISING LLC**

**FRANCHISEE**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**STATE ADDENDA TO THE DEVELOPMENT AGREEMENT**

**MINNESOTA FRANCHISEES**

Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Minnesota Department of Commerce due to Franchisor's financial condition.

**SPARKLE FRANCHISING LLC**

**FRANCHISEE**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**STATE ADDENDA TO THE DEVELOPMENT AGREEMENT**

**SOUTH DAKOTA FRANCHISEES**

Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the South Dakota Securities Regulation Office due to Franchisor's financial condition.

**SPARKLE FRANCHISING LLC**

**FRANCHISEE**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**SPARKLE FRANCHISING LLC**

**FRANCHISEE**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**STATE ADDENDA TO THE DEVELOPMENT AGREEMENT**

**VIRGINIA FRANCHISEES**

No statement, questionnaire, or acknowledgment 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

<b><u>SPARKLE FRANCHISING LLC</u></b>	<b><u>FRANCHISEE</u></b>
_____	_____
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

<b><u>SPARKLE FRANCHISING LLC</u></b>	<b><u>FRANCHISEE</u></b>
_____	_____
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**17. Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

**18. Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned does hereby acknowledge receipt of this addendum.

<b><u>SPARKLE FRANCHISING LLC</u></b>  _____  By: _____  Title: _____  Date: _____	<b><u>FRANCHISEE</u></b>  _____  By: _____  Title: _____  Date: _____
<b><u>SPARKLE FRANCHISING LLC</u></b>  _____  By: _____  Title: _____  Date: _____	<b><u>FRANCHISEE</u></b>  _____  By: _____  Title: _____  Date: _____