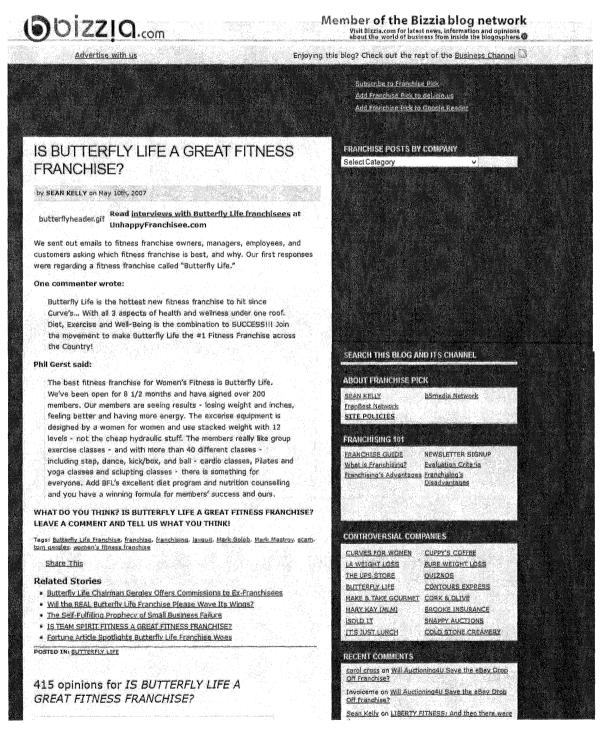
EXHIBIT A

EXHIBIT: This is the Original blog post of "IS BUTTERFLY LIFE A GREAT FITNESS FRANCHISE?" published on FranchisePick.Com May 10th, 2007 followed by the text version including all 415 comments.



TEXT VERSION:

IS BUTTERFLY LIFE A GREAT FITNESS FRANCHISE?

by Sean Kelly on May 10th, 2007

Original URL: http://www.franchisepick.com/is-butterfly-life-a-great-fitness-franchise/

Archive date: February 17,2009

Read interviews with Butterfly Life franchisees at UnhappyFranchisee.com

We sent out emails to fitness franchise owners, managers, employees, and customers asking which fitness franchise is best, and why. Our first responses were regarding a fitness franchise called "Butterfly Life."

One commenter wrote:

Butterfly Life is the hottest new fitness franchise to hit since Curve's... With all 3 aspects of health and wellness under one roof. Diet, Exercise and Well-Being is the combination to SUCCESS!!! Join the movement to make Butterfly Life the #1 Fitness Franchise across the Country!

Phil Gerst said:

The best fitness franchise for Women's Fitness is Butterfly Life. We've been open for 8 1/2 months and have signed over 200 members. Our members are seeing results - losing weight and inches, feeling better and having more energy. The excerise equipment is designed by a women for women and use stacked weight with 12 levels - not the cheap hydraulic stuff. The members really like group exercise classes - and with more than 40 different classes - including step, dance, kick/box, and ball - cardio classes, Pilates and yoga classes and sclupting classes - there is something for everyone. Add BFL's excellent diet program and nutrition counselling and you have a winning formula for members' success and ours.

WHAT DO YOU THINK? IS BUTTERFLY LIFE A GREAT FITNESS FRANCHISE? LEAVE A COMMENT AND TELL US WHAT YOU THINK!

Tags: Butterfly Life Franchise, franchise, franchising, lawsuit, Mark Golob, Mark Mastrov, scam, tom gergley, women's fitness franchise

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- Fortune Article Spotlights Butterfly Life Franchise Woes

POSTED IN: BUTTERFLY LIFE

415 opinions for IS BUTTERFLY LIFE A GREAT FITNESS FRANCHISE?

Susan in NYC

May 19, 2007 at 11:34 am

I am hearing from insiders that Butterfly Life is in trouble financially and is looking for a buyer. If you're buying you should check this out in DETAIL. If they can't find private investment, Curves or Contours Express might just buy them out and shut them down as a way to appease their own franchisees. this is my opinion.

leigh

May 29, 2007 at 12:11 pm

Run, run, run away! I am an experienced business owner and recently decided to purchase a Butterfly franchise to add to my portfolio. While the concept is good, this company is trying to grow way beyond its current capacity and I have been so disappointed in the competance and professionalism of the corporate staff that I have now decided not to open a club.

Wait a year or two and let this company catch up with its own growth before you put your money on the line.

• Mary

Jul 9, 2007 at 2:42 pm

I know there has been a claim filed with the Dept. of Corporations in California against Butterfly Life regarding misrepresentation. It was filed by the AAFD (American Association of Franchisees and Dealers). The AAFD is a national organization and has been in existence for 15 years. Anyone looking to buy a franchise should contact the AAFD before making any decisions. There are many people who have purchased a Butterfly Life franchise that are sorry they did so. The original President and Director are no longer there, unfortunately. You are right Leigh, the corporate staff has always lacked competence and professionalism from the beginning. It is unfortunate that the UFOC doesn't have all the contact information of the original franchisees. Although, I think you can get this information from the AAFD at 800-733-9858 ex 101. Be wise and call before pursuing this venture!

Kathy

Aug 28, 2007 at 6:20 am

Run far away and don't look back. Corporate makes this look like a really sweet deal. They leave you with the impression the you will breakeven in six months. There are many clubs all over the US that find a year or two later they are not even close to breaking even. Most of these clubs have closed are in the process of closing. Corporate will tell you for an extra fee they will come take over your club and you can walk away. This off course on top of the money you have already poured into it. Great deal for corporate they haven't had to spend a dime opening a club. You on the other hand will have probably spent close to your life savings. Talk about you money pit!

Claire

<u>Aug 28, 2007 at 12:28 pm</u>

I agree RUN, RUN. This group is a slick con moving across the country. I have heard of so many closures and personal bankruptcies from former franchisees. The sales pitch to get you to buy

does not come close to the reality of the deal. They take your money and ignore you!! Don't go there.

Linda

Aug 29, 2007 at 11:05 am

Save yourself a lift time of debt and hearache. Before you purchase a Butterfly Life franchise please please PLEASE contact the AAFD, <u>http://www.aafd.org</u>, to get pertinent information about those who run this franchise, especially Mark Golob. His morals and values are definitely lacking......he only believes in money and gets it by harrassing potential franchisees with verbal lies that can never be proven since the Franchise Agreement contains all the legal mumbo jumbo that is needed to protect him.

Phil Gerst

Aug 30, 2007 at 5:09 pm

The best fitness franchise for Women's Fitness is Butterfly Life. We've been open for 8 1/2 months and have signed over 200 members. Our members are seeing results - losing weight and inches, feeling better and having more energy. The excerise equipment is designed by a women for women and use stacked weight with 12 levels - not the cheap hydraulic stuff. The members really like group exercise classes - and with more than 40 different classes - including step, dance, kick/box, and ball - cardio classes, Pilates and yoga classes and sclupting classes - there is something for everyone. Add BFL's excellent diet program and nutrition counselling and you have a winning formula for members' success and ours.

• <u>sean</u>

Aug 30, 2007 at 5:21 pm

Great, Phil. Which location do you own?

Kathy
 Sep 4, 2007 at 7:00 am

Phil has to say that he is an area representative! Just how much do they pay you PHIL!

Sandra
 Sep 4, 2007 at 7:27 am

Great PHIL! Are you making a salary for yourself? How much in debt are you? Did you spend your life savings? I think you are in denial.

• Pam

Sep 4, 2007 at 4:56 pm

Hi, We opened our BL in July. Very far from breaking even but it's still early and we really want to make this work! If anyone would like to contact me or my partner (Ada) please send us an e-mail [email withheld] or phone us in Mountain View, CA.

Mary

Sep 6, 2007 at 10:04 pm

Hey Phil!

susan

Sep 10, 2007 at 4:38 pm

Our experience with corporate has been very positive. Jeanne Spatola has been with us 100%. She always has a "fix" for whatever is not going as we would hope. She is available 24/7 - I don't know how she does that. We love her and wouldn't be where we are without her.

Cathy Galli is also the best. She is so responsive to our requests and questions - we count on her for just about everything. If she doesn't know the answer, she gets it for us.

The postcards have been great, as well. Our only problem with them was that we need more than \$29/month to make it. A lot of our members signed up for the special, and with the "No Enrollment" and "No Processing" for charter members going at the same time, we just weren't making any money. We have raised our membership dues to \$39/\$49/\$59 and members haven't flinched. We do get good responses to the postcards, but we also get responses from some small local magazines/newspapers/flyers. I guess my only complaint is that corporate could have been more realistic about how much money we needed to start up, how long it takes to build a member base that will pay the rent, the differences in rents in different areas (ours is particularly high at \$6700,) and how the promotions are going to affect clubs with higher overhead. I think you are already taking steps in your training with the conference call meetings prior to u niversity training. Spending more time on marketing and sales is essential. Jamie and I weren't prepared for all that has to be done in that area. We are learning as we go, and Jeanne has been so helpful in that department, but I wish I had been better prepared for the onslaught of advertisers who bombarded me with stuff that is essentially worthless. Part of our situation, of course, is that Jamie and I have never owned our own business and should have studied up on it before we plunged in. However, we are doing fine, and loving every minute of it.

So, bottom line, we are very grateful to corporate for all the support you have shown. I feel that you care and want us to succeed and are doing everything you can to help us make it happen.

Sincerely,

Susan Hackett and Jamie Hoover Butterfly Life Folsom

<u>sean</u> Sep 11, 2007 at 12:02 pm

Susan:

Good to hear your franchise experience is positive. Not being realistic with start-up expenses or the amount and intensity of marketing necessary are common complaints in the fitness franchise area (and other areas as well).

Do you have much direct competition in Folsom? Are you area representatives as well as franchisees?

Sandra
 Sep 11, 2007 at 2:33 pm

Just wait Susan and Jamie......it will all come tumbling down......you'll be so far in debt you won't know which way to turn.

• Kim

Sep 11, 2007 at 2:48 pm

Are you kidding Susan? Corporate is going tell as little as they can get away with. They just want to sell a franchise to start colllecting their monthly franchise fee. They don't a care where you put you center as long as they are getting there monthly fee. They sure as heck don't care if you succeed otherwise they would be putting the 40% of your franchise fee into advertising so people know what the heck BFL is. They tell you they use part of your franchise fee for national advertising; however I haven't seen a commercial in over a year. Oh yeah and they are gonna have a TV show. Well they have one alright if you remember to watch it. It is on for 5 minutes in selected markets.....if you blink you miss it.

• cynthia

Sep 11, 2007 at 5:01 pm

My name is Cynthia Schmidt. I opened my Butterfly Llfe club in Dec 06. I so love my business. I have the greatest employees and also the greatest members. This is one of the most satisfying jobs and/or businesses I have had.

One of the great things about my business is that if I need something or have a problem I know that I call or e-mail someone from corporate office and I am going to get a response right away, often within the hour. The best part is that almost always the problem or response is something that hellps me alleviate the problem. I really appreciate this.

One of the great things that corporate does is that they send someone out periodically to help train and see that we are on track to making our business succeed. I believe that since I have opened I have had three visits from someone from corporate. Every time after they have come and helped us tweak our program, we have had big gains in memberships. The women who have come out to train have always brought great expertise with them and were considerate of the personalities and feelings of my employees. I have truly enjoyed the times that they have come and greatly appreciated the help and how the training has benefitted my business.

I could not ask for a more supportive environment than the one provided by the corporate office at Butterfly Life.

Cynthia Schmidt

Butterfly Life, Longview

• Kim

Sep 12, 2007 at 8:34 am

Cynthia please.....you haven't updated your website since March.

<u>sean</u>
 <u>Sep 12, 2007 at 9:11 am</u>

Mary Says: ...the corporate staff has always lacked competence and professionalism from the beginning.

Kathy says: ... There are many clubs all over the US that find a year or two later they are not even

close to breaking even.

Linda says the owner only believes in money and gets it by harrassing potential franchisees with verbal lies...

Leigh says ... run, run, run away!

Yet Phil, Susan, Jamie & Cynthia praise the franchisor and the outstanding concept and support they receive.

Is everybody talking about the same company? Are there two Butterfly Lifes? I'm confused. Someone please explain.

 Will the REAL Butterfly Life Franchise Please Wave Its Wings? Sep 12, 2007 at 9:47 am

[...] For example, we sought out information on a fitness franchise opportunity called Butterfly Life in our post IS BUTTERFLY LIFE A GREAT FITNESS FRANCHISE? [...]

<u>sean</u>
 <u>Sep 12, 2007 at 9:48 am</u>

Your comments invited at: Will the REAL Butterfly Life Franchise Please Wave Its Wings?

 Will the REAL Butterfly Life Franchise Please Wave Its Wings? at PIGASYS Sep 12, 2007 at 10:33 am

[...] For example, we sought out information on a fitness franchise opportunity called Butterfly Life in our post IS BUTTERFLY LIFE A GREAT FITNESS FRANCHISE? [...]

• Kim

Sep 12, 2007 at 4:09 pm

I am sure it is workable if you have enough money to sustain you for several years but even then you will never break even. You will have poured so much money into it that it will takes many many years, if that, before you ever get back what you put into it. Corporate leads to believe the for very little money you can make it work and that it is possible for you to break even in six months. Corporate also leaves everything up to the franchise owner as far as their own advertising. They do not do anything to help as far as getting the name branded so people know what BFL is. Everyone is so set in their ways and used to Curves that it is hard to get your foot in the door, so to speak, to even let people know who or what Butterfly Life is. Some people think we are a Christian Book Store or a health food store for women that carrys vitnamins etc. In the long run I don't think a future franchisee should look at this as a way to earn a living. Make sure you have a good supplemental income before diving into the endevor. It would be a good hobby for someone where money is no object and perhaps needs a write off. Someone who has a spouse with a great income already.

Sunshine

Sep 16, 2007 at 8:30 pm

The concept of Butterfly Life is indeed a great thing. A lot of the comments already posted are true, but not all of them. If you want the real story and truth, go to the BFL website and call at least one club in each state that has a club open and ask the owner's to share their success and their nightmares. You will indeed find more strugglings clubs while the Corp. people have yet to

miss a pay check. Better yet find the 16+ Corp. people recently "laid off" from this growing company and get their stories. To all reading this......"it" is about to hit the fan! And it may possibly turn out to be a "no win" situations for everyone involved.

<u>sean</u>

Sep 19, 2007 at 10:58 am

I've asked this on the Contours Express and Curves threads also. Does Butterfly Life and the similar clubs offer personal training for an additional fee? This would seem to be a no-brainer as both a way to increase incremental revenue and retention. Seems like retaining members would be a huge challenge after the initial enrollment period, no?

Pam

Sep 19, 2007 at 11:07 am

Butterfly Life (with the exception of the "previous" Linda Evans clubs) do not offer a personal trainer as an option. In our club we, as Lifestyle Coaches, try to work with each member on an individual basis as much as she needs or wants us to.

Anti Butterfly

Sep 20, 2007 at 12:24 am

I had visits from corporate reps every few months and followed their advise closely - still no profits.

When I was sold this bill of goods in 2005, Mark Golob must have said "BRANDING" 50 times -"Butterfly Life will soon be a household word". We'll have a segment on Oprah and ladies will be scrambling into your clubs. 2 years later I'm wondering "WHERE IS THE BRANDING, THE OPRAH SEGMENT AND WHERE ARE THE SCRAMBLING LADIES MARK????" Too little to late.

Empty promises = bankruptcy for many

of the franchisee's that bought Mr. Golob's

B.S. Sales Pitch.

My greatest wish is that all potential franchisee's check out this franchisor thoroughly and find out the truth. Check with the AAFD like other people have recommended.

My mission is to get the word out.

I admire those of you who are open and keeping on keeping on. Many of you are doing things "out of the box" from what corporate recommends and that is what it takes. I wish you all the luck in the world and I hope you can at least break even - I was never able to do that and I spent twice the money they told me I needed. The best thing you can do is call other owners and see what is working for them.

Potential franchisees Run, don't walk away from this Franchise until they get their act together. God Bless

Brandi

Sep 20, 2007 at 7:16 am

Sean: There are not two different Butterfly Life's. What you have are franchisees that are in the "honeymoon" phase with this company and those who have been plugging away at it for years with no success and eventually no money.

Mark Golob is a glorified used car salesman. They make promises about national marketing campaigns, television shows, celebrity sponsors, and nationally published books and all of the support franchises really need. They simply don't deliver. I expected my royalty fees to help support national marketing and brand awareness, not for someone to come to my gym and sit across the desk from me and call old leads.

You buy a franchise to get the marketing synergies, brand recognition and economies of scale that you can't get opening a business on your own. We paid big bucks to be a part of a franchise and we could have done better opening our own gym by ourselves.

Even if they've fooled you into thinking they offer all of this great "support" think about how much money BFL franchisees aren't making. That's why most people do this. You don't do it just to meet wonderful members, help women and have great employees. Those are the bonus. Those are the things that make it great. But if you aren't making money, if you can't pay your rent, and you're going into debt...you won't be there to help anybody anyway!

Don't let them convince you that there is a "small" group of us who just "weren't good business people" or "picked a bad location." From a franchisee who no longer has her club, has sold her house and owes plenty of money...RUN RUN RUN!!

Good luck and best wishes to all who are in it already. Hang in there.

• <u>sean</u>

Sep 20, 2007 at 8:14 am

Brandi: Thanks for your comment. Sorry for the failure of your business. You sound like you landed on your feet and will survive... albeit with an expensive lesson behind you.

For those of you who are still struggling to compete, I offer you this advice: Forget about national branding and television campaigns. Demand strong local store marketing tools and grassroots, inexpensive strategies. Your universe of potential members is within a 10-15 minute drive of your location. Buy a local map and a protracter. Draw a circle for a five or ten mile radius around your club and put together a plan for making sure every person in that area knows who you are, what you offer and why they should care.

Like it or not, you've got to become relentless promotional marketing experts... fast. Your success will come from word-of-mouth, bulletin boards, flyers, free trial cards, community involvement, direct mail, and maybe even telemarketing or some radio. Give every woman in the that circle a reason to try your club, then give them lots of reasons to keep coming back. If you have a shot at success, that's how it'll happen.

Brandi

Sep 20, 2007 at 8:46 am

I hear you Sean. We did all of that and then some. But when you've got a Curves doing the same things to target the same women in your circle, plus they have the brand recognition and trust that comes from a truly "branded" franchise you can't compete with that. There is a top-of-mind status that is undeniably created when you have television ads, Wendy's partnerships, and banner ads on iVillage. When I was at the community festivals, when I was handing out flyers at neighborhood gatherings and PTA meetings I thought to myself, I could do this without paying the franchise fee.

<u>sean</u> <u>Sep 20, 2007 at 9:35 am</u>

Brandi:

I understand. I'd imagine you want to scream every time somebody says "Oh... so you're like Curves?" And your point about the franchise fee is something would-be franchisees need to consider: Could I do this on my own? The simplicity of the concept makes it easy to knock-off, and Curves got a huge jump in the market and got the recognized name. Too few franchisees realize that the critical marketing is done right in their neighborhood... too few franchisors provide innovative ways to win and keep customers on the local level. Does Butterfly Life have any meaningful point-of-difference from Curves or the other competitors? Barring national TV, what should they be doing to help out the struggling franchisees?

• Brandi

Sep 20, 2007 at 10:30 am

Off the top of my head...

The monthly royalty fee should be based on membership levels or revenues as a percentage instead of the high flat fee that is assessed. You are handicapped from the very beginning before you can start making money. That is what most other franchisors do.

Next, they could provide password protected web links, Quark files, etc. at no cost for franchisees to produce lead boxes, flyers, t-shirts, ads, etc. BFL produced flyers at one point and was charging franchisees for them. Just give me the elements and I can have the neighborhood newspaper do it for free.

If franchisees have to do their own marketing and promotions, don't force us to go through some high-end printer in California and I still have pay for shipping.

<u>sean</u> Sep 20, 2007 at 3:12 pm

Flat fee royalties: These are used as a sales advantage, but concern me as the franchisor has less financial incentive to boost unit sales. Anyone disagree?

Marketing elements: You should certainly have been given logos and high res artwork to do flyers, though the finals may have to be reviewed and approved.

When we put together flyers for franchisee clients, we may do the customization but will send them a .pdf so they can print themselves or locally. We encourage them to barter with local quick printers (free pizzas and memberships can go a long way in trimming costs).

• BR

Sep 20, 2007 at 10:54 pm

Sean, Back again. And Brandi, I don't know who you are or where, but if you haven't contacted the AAFD yet you are crazy. The fact is Sean, I could market the "heck" locally out of my club. do all the gorilla marketing that is warranted but if I am the only point of difference in my market on and individual club owner's ad budget why not just do it myself. The fact is you won't find a franchisee out there who did not believe in the concept. It "is" a better Curves. I am a trainer to boot and the Couch potatoes who get off the couch can't progress on hydraulic equipment. A 30 Minute circuit with stages of progression is great. Having said that, I go back to the business

model sold. Is it realistic and achievable. Aren't those the test points for any strategy. We all thought we had the point of difference. But an individual franchisee should not have to "brand" a product all by themselves. It is layers. The national corporate effort feeds the local and that creates a constant stream of ad impressions where the "brand" is seen at all levels. A solid base of successful franchises is the best brand building tool and for those of you money grabbing corproate folks the best bilboard from which to sell additional franchises.

CORPORATE!! YOU WANT ME "JOE FRANCHISEE TO BE SAYING TO MY NEIGHBOR, THIS IS THE GREATEST MONEY MAKING CONCEPT OUT THERE AND YOU SHOULD HOP ON" NOT OH MY GOD WILLTHE BANK GIVE ME ANY MORE EQUITY OUT OF MY HOUSE SO I CAN EEK OUT A FEW MORE MONTHS WAITING FOR CORPORATE TO SUPPORT THEIR OWN BRAND.

At this point forget the workout dynamics. Does this BUSINESS model work as presented!!! Is the true state of their franchise environment being correctly represented to prospective franchisiees No! It does not. and No they are not!

<u>sean</u>

Sep 21, 2007 at 12:59 am

BR: I agree 100% about successful franchisees being the best marketing. We counsel our new franchise clients that they need to do all they can to help their first ten succeed & become great success stories & franchise evangelists. Then they need to do exactly the same for franchisees #11 - #999.

However, expecting "national" advertising support for a small start-up chain is not realistic. A recent BL press release said there are "nearly" 100 units. If each of you kicked in \$26,000 you could buy 30 seconds on the Superbowl. 'Course you'd have to kick in another \$10K each to produce the spot. While that's an extreme example, franchise companies don't pay for national advertising out of their pockets... it's paid for by franchisees. Be careful what you wish for or they may implement co-op ad fees (if they haven't already).

RE: the model... how many members do you need to reach breakeven? Is there an average number across the board? Isn't the biggest threat simply oversaturation with similar competitors?

Mike

Sep 21, 2007 at 7:22 am

As a former club owner who recently closed, I felt compelled to add my two cents.

Butterfly LIFE as a corporation didn't fail with the product they put on the table, but rather in the BRANDING of that product and the dishonest approach they employed to sucker you into purchasing a franchise.

I have been in fitness for over 17 years and have worked in every conceivable fashion in the industry. I have done everything from personal training, to customer service, to membership sales, to running a club, to being the VP of Sales & Marketing for 9 clubs. My wife and I decided to look into Butterfly LIFE for our future.

We were impressed with the seminar and even more impressed when we visited a couple of clubs and saw how the whole thing works. It IS the best overall wellness formula on the market for women. I mean you cannot beat a progressive weight stack on the circuit, classes without the hassle of hiring staff to teach the classes and nutrition included.

The product is not the problem. I have read through some of the "pro" comments, and yes, we too had members with amazing results. We had members lose over 50 lbs as well and saw some of our initially apprehensive members catch on and become some of our most dedicated members. Hell, we signed up over 300 members in around 8 months and forced 1 Curves location to go under because we took around half their members away!

The biggest branding problem is their National Marketing approach. We heard about all of these wonderful national TV commercials that were supposed to make our phones "ring off the hook" and this 5 minute TV show that was supposed to "change lives". First of all, this 5 minute was garbage and a total waste of time and money. It was on at like 8:25AM on TLC. Nobody ever saw it! My wife and I even tried to TIVO it and only found it 1 time even though it was supposed to air 6 or 7 times!

And as far as the commercials went, we MAYBE signed up 3 members from ANYTHING corporate did because the commercials were... #1 at a time when nobody sees them #2 squashed at the end of the time slot and most importantly #3 did NOTHING for branding!

Butterfly LIFE tried to tell the story of people changing their lives BEFORE they ever told the people WHAT Butterfly LIFE was or HOW it could change their life too!! That's like taking a person off the street and training them as hard as they can to be the best football player they could possibly be and sticking them on a football field and NEVER teaching them how to BLOCK OR TACKLE an opponent! Butterfly LIFE tried tell a story before they told the people WHAT WE DID or HOW IT COULD HELP them! The commercial they made to create an interest in selling their franchises was more impactful!

Also, if you had the best product on the market, wouldn't you shout it from the rooftops? If that's the case and having already established that Butterfly LIFE has a better product than Curves, then why is it that...

#1 everyone knows what Curves does

#2 you can find a Curves commercial during Survivor, the Amazing Race, Big Brother etc etc #3 Curves is on a cereal box?

Answer: BRANDING!

The other area Butterfly LIFE falls short is their absolutely horrific way they sell the franchises. In the seminar we attended, Mark Golob stood up and told the group that you could open a Butterfly LIFE franchise for "about the cost of an SUV". The initial estimates for opening a club ranged from 50-70K. I immediately asked Mark at the seminar, what does that estimate include, because it surely cannot include everything. He said that we would get "the doors open" for 50-70K.

So, after researching as much as we could and budgeting 100K for start-up because I thought Mark was insane with that projection, we decided to purchase and open a franchise. News flash, we spent over \$160K BEFORE the doors were open and the overage ate around 75% of the money we had budgeted for operating capital. Soon after we opened, we found out that MOST of the new club owners were in the same boat we were. So we fought and clawed and did EVERYTHING we could to stay open...even surviving a Workout World franchise that opened a month after we did and sold their charter memberships for \$9 a month! But we were doomed from the start because we were out of money BECAUSE of those initial projections. Yes, we were at our break even point by the 4th month, but we had gone so far in debt to keep the line moving, closing was inevitable. Hell, even over a year later, we still closed with over 250 active members even though we had 0 money to advertise for the last 4 months we were open.

I am not here to boo-hoo about our failure. I am here to let anyone who is seriously considering purchasing a BFL franchise what to expect. To quote my wife, BFL does not stand for Butterfly LIFE...it stand for Big F_____ Liars....I'll let you fill in the blanks.

Anti Butterfly

Sep 21, 2007 at 7:42 am

Sean,

Member Numbers I have heard from franchisee's is between 300 and 360 to break even. They make sure we are set up in high rent units in

newer busy shopping centers. Most rents for clubs around me I have heard quoted \$6300-\$7200 for approx 2,000sq.ft. With those costs plus \$1000 royalty pmts plus insurance, utilities, mandatory advertising of \$1800 and personal costs if you have employees. Makes it hard to break even in 3-6 months or even 12-24 months.

leigh

Sep 21, 2007 at 9:32 am

Has anyone forwarded any of these blogs to anyone of any significance at BL corporate?? It seems like the obvious and right thing to do.

We all agree that the business model is good. It seems appropriate and only fair to existing franchisees to make Corporate aware that there is so much discontent. They may actually surprise you and make some necessary adjustments!

As a business owner, wouldn't you be much wiser to fix the problem than to contribute to it by tearing down the very business you've invested in?

I agree that there are significant growing pains. I agree that the corporate leaders have forgotten that their franchisees are partners and are necessary and can be a terrific asset in growing the company. But these problems could be corrected, to everyone's benefit.

Maybe its time to open up a rational, professional dialogue.

• <u>sean</u>

Sep 21, 2007 at 10:09 am

Mike: Thanks for taking the time to share your experience and to provide specifics. Your information is very instructive for would-be franchise owners looking at ANY opportunity. Investing with EYES WIDE OPEN is what FranchisePick.com is all about. It's also instructive for franchisors truly interested in creating successful franchise system via successful franchisees (most do).

Your experience is especially alarming given your extensive background in the industry and skeptical eye. If you could fail with what you know, the newbies may be a highly endangered species.

While all I know of BL is what's been shared here, I can say that many franchisors' growth strategy is to get as big as they can as fast as they can so they can gain the critical mass to do the kinds of national promotions they promised prematurely. They somehow rationalize the early franchisee failures as acceptable losses... an opinion I do not share in the least. It's a lot easier to

sell franchises with the promises of tv shows and national commercials than with flyers and doorhangers. So they blow precious ad dollars producing commercials they can't afford to air... I would have hired a firm to come up with a workable name first.

Anti Butterfly Thanks for your comments and info. Does the franchisor collect and spend the mandatory \$1800 advertising, or do you spend that on your own? Where is that spent?

<u>sean</u>

Sep 21, 2007 at 10:27 am

leigh said: Has anyone forwarded any of these blogs to anyone of any significance at BL corporate?? It seems like the obvious and right thing to do.... We all agree that the business model is good... Maybe its time to open up a rational, professional dialogue. Well said, Leigh. My guess is that BL Corporate is not working with the AAFD in establishing a franchisee dialogue, and zees feel they need to go to outside for help, to express their

frustration, or to warn others (anonymously).

My hope is that the discussions here help franchisors understand and address the very real concerns and challenges, that they join the dialogue and take the opportunity to correct what's not working. Every company discussed here is offered the opportunity to address concerns or rebut inaccurate statements. They can contact me at info[at]ideafarm.net, or at 717-656-2107 x24.

Sunshine

Sep 21, 2007 at 10:38 am

Since Phil will not answer the questions that have been asked of him, I will tell you that as an Area Rep if he "bought into" a 50 club area his investment first was 250,000. In return for each club he promotes/has open in his terriorty he will receive 1/2 of the current franchise fees. (Which by the way has changed many times in the past, only Corp. knows this week what that amount is) Last reported was 29,500.00. He then will receive 400.00 of the franchisee's monthly royalty. The AR are responsible for promoting the sale of clubs. There is your 400.00 a month for advertising!!! His renewal for every club open is every 5 years @ 5,000.00.each. Where the club owner has to re-new every ten years at the rate of \$10,000.00. Making note that if any club makes ten years, that is 120,000.00 in royalty alone. I am betting the club owners would love to be able to pay themselves 120,000.00 over that period.Now understand these "amounts" were the amounts told by Mark himself when he tried to convince people what a great deal this would be. Second offer: Have a 25 club area for 175,000.00. 1/2 of the franchise fee and 300.00 a month in royality. Then your show case club would be free. Free ONLY of the franchise fee, not the build out. I have heard there is another offer being put out there for AR but have not verified that. As an AR they are also responsible for the advertising and arrangements for the seminars to promote club sales. Corp. has come up with yet another plan to not have to pay for something. If the AR's would come forward with their own personal stories(truthfully) we would have just as many different stories about that as we do individual club owner stories.

Kathy

Sep 22, 2007 at 9:13 am

Oh yeah corporate know about this website......they posted Cynthia's comment with out her permission.

<u>sean</u> Sep 22, 2007 at 9:43 am Sunshine: This is good information. Thanks. For those new to this, "Area Representatives" or area developers are generally a type of franchisee who assists in selling and supporting franchises within a defined area. It is important to know that AR franchisees have a vested interest in painting a rosy picture of their franchise opportunity. In extreme cases, their own stores could be losing money but they are making enough promoting franchises in their area not to let on.

Do BL area reps make claims about potential earnings or the financial performance of their clubs during the sales process?

Sunshine

Sep 22, 2007 at 10:20 am

Thank you Sean, for this site which allows BFL owners and area reps to speak the truth. Truth being the one thing Corp. does NOT want all franchisees to know. (However, I am NOT an Area Rep, nor do I own a BFL franchise.) If Cynthia's comments were posted here without her permission, maybe that is why "Phil", who IS an Area Rep never responded to your questions. If the Corp. people do indeed know about this site, then they are also aware of the AAFD chapter and complaints to the Dept. of Corporations in Calif. and is why many club owners are now receiving Default Letters and Notices of Intent to Terminate. This is how they do business, threaten struggling club owners with intimidation rather than support.

Will Corp. sell your club for you? Sure!! They will release you from your personal guarantee/contract agreement and sell your struggling club to yet another unknowing "want to be" and you walk away well over 100,000.00 dollars in debt. Think: 1,000.00 a month for a 10 year agreement=120,000.00 in royalties. They are going to get their money either way. But every one remember "What goes around - comes around" and now WE are coming around. United we stand!

Sunshine

Sep 22, 2007 at 10:27 am

Sean I did not answer your question about what the BFL Area Reps say when doing their presentations, because I have never heard an AR presentation. However, I have paid for the "expensive" presentation of- HOW GREAT I AM- by Mark Golob.

Franchisee

Sep 23, 2007 at 3:30 pm

Hello All,

I've been reading your comments as well as reading everything on the internet about this and other franchises. I am a BL franchisee but I have not yet opened. I think that those who are unhappy may be franchisee's from the first wave of franchises that were sold in 2005, there were about 18. Hopefully, for my sake and other new franchisee's, corporate has learned from their mistakes. Over the past 8 months I have called almost 40 franchisee's and most were positive and gave me great advice. The ones who are struggling, also gave great advice and only 2 thought that corporate didn't paint a full picture.

Sunshine: The recent lay-offs were only Sales staff. Corporate is focusing more on support staff for new and existing franchises. That may be why i'm hearing more positive things from owners who opened within the past year or so.

As for Curves and brand recognition. I think you all forget that there was a time when you did not know what Curves was. It took years for brand recognition. Lastly, like any business, it takes time to achieve profit level. The research that I did before buying my franchise, on all types of business, said that it can take 6 months to a couple of years to get out of the red. Mike: I'm not understanding why you closed. you had 300 members at one point, that's about \$12000. per mo on dues alone, was your rent high? I'm sorry for all of you who are suffering and hopeful for those of us just beginning.

Thank you everyone for being so open. And yes Sunshine...Mark Golob is the Pres. of the How Great I Am club. =)

Pam

Sep 24, 2007 at 12:19 pm

Franchisee......I find it interesting that you have not identified yourself or the location that you will be opening in. Rumor has it that someone from Corporate has been writing here so that it appears that "all is well". I'm not sure which new owners you have been talking to.....we speak on almost a daily basis to some of them. As for Curves and their Branding....they did that right from the start and now they are everywhere you look. They were very smart about getting the name out at the beginning.....their product is good but ours is better ~~ the next step if you will, our problem is that nobody knows "what" Butterfly Life is. The reason people go the franchise route is so the branding (among other things) is done for them. We would never have bought this if we had known that all we were paying for is the right to use the name ~~~ we could have started a club under another name for MUCH less money and headaches!!! Wait until you have to dish out a grand every month with or without the members to support that let alone your other expenses.

So, with that said......who are you and where is your club going to be?

Freaked Out

Sep 24, 2007 at 1:23 pm

I am so concerned about what I am hearing on this web site. It has led to many panic attacks. We have one club in our area that is profitable after one year (so they say). I have purchased 3 locations and am set to open a location by the end of the year. I am torn about cutting my losses and running or sticking it out. I have some loss of confidence in corp. Where is the show, where is the book, and I am told that franchise fees go to putting together templates for marketing and not the marketing itself. Now we are in charge of marketing. So I am guessing that at 1,500 a month our marketing plan will cost us 18,000 this year. F___K! Not sure what to do??

Brandi

Sep 24, 2007 at 1:32 pm

Franchisee,

Your information has to be coming from Corporate, not based on the actual facts. The "first wave" of franchisees was in 2004, not 2005. My club never reached break even let alone a profit and I opened in late 2005, not part of the first or second wave. The UFOC had been revised and the initial franchise fee had been increased at least twice before I bought.

Corporate promotes themselves as experienced franchisees. They say they are the same folks who operated the Linda Evans centers for umpteen years. They know exactly what they are doing. They have gone through the learning curve. They are saying and doing everything intentionally because they think that is how to sell the clubs. Say anything that will get these suckers to sign on the dotted line and give us that money!

Before I bought into it, I spoke with some of the same people on this blog who warned me not to do it. But, I let Corporate fool me into thinking it was their fault (bad business people, poor locations, etc.). I know Corporate is probably telling a new batch of suckers the same lies about me. I don't take it personally though. Like Mark told me himself when I needed help and my club was in trouble, "Sorry, it's business."

• <u>Ted</u>

Sep 24, 2007 at 1:36 pm

Pam, when you say, "we speak on almost a daily basis to some of them." What do you mean? You harass franchise owners so that they will say something bad, are you do you twist the words around to put the "testimonials" in your favor. I would like to hear some of your "conversations" that you apparently have every day to find out if you are being accurate and the data being presented here is even valid.

ATTENTION EVERYONE: This is an unregulated site that is not controlled or monitored by anyone. I can come on hear and tell everyone that the world is flat and the sky is magenta and nobody can say anything. The people who are in charge of this are all morons. If you want to do research on a franchise, direct yourself to the http://www.aafd.org and speak to a professional. Do not come to a blog b/c all you read is a bunch of unverifiable, unreliable, questionable testimonials that may or may not have any credence to them.

Franchisee-Jackie

Sep 24, 2007 at 2:02 pm

Pam: My identity is not that interesting but, I understand why you want to know, i'm skeptical about these sites too. My name is Jackie, i'm from Southern CA and I don't have a site yet, still searching. Now about the owners that i've talked too, they asked me not to share their identities and I won't. I continue to call owners when I have time so maybe i'll talk to one of your friends eventually. As for Curves and branding...I get it and I agree that BL is wasting money on that ridiculous 5 minute "TV show", I think they are starting to "get it" too, since it's no longer on tv. Now they need to focus on commercials that target membership. That said, Curves also took some time to be brand recognized, it wasn't over night.

I agree with you 100%, I bought a franchise for the same reason, Branding. The reason I chose Butterfly Life over the other options is that we have a better product. I've talked to several Curves and Contour Express owners and they are having problems with retention because of their equipment and BL moving in the area. I'm not here to argue with anyone or downgrade the fact the some are having a hard time, I just want to hear both sides. When someone post something negative, nobody puts you down, but when someone post something positive, you immediately say it's corporate. I think that being the first in an area is extremely difficult, those who have opened in an area BL has a presence have it easier. I'm here to learn as much as I can and share what I know. I'm really sorry that you're having a bad time.

So, with that said...where is your club and when did you open? Is there a chance that with a little more time you will come out on top or do you see yourself going backwards. I'm just trying to figure out if timing has anything to do with an individual clubs success or failure. I mean Corporate timing, I know that clubs who opened befor 06 describe a different Corp. than what I know. Again, i'm sorry it's not going well for you. I'm just trying to get an objective view...before I sign a lease.

• Franchisee-Jackie

Sep 24, 2007 at 2:25 pm

Brandi: Sorry that was a typo. I know that they started selling franchises in 04. They sold 3 that year, in 05 they sold 18 and 06 there were 30+. That's why I'm wondering if maybe by now they've worked out some of the kinks. The owners that I attended BLU with are in contact with me weekly and they're doing great. I'm only asking questions because I want the option of cutting my losses before I lose. That's why i'm trying to figure out what % of unhappy owners bought pre 06 because the people that I know and have talked to, that are happy are 06/07. Where is your club? Are there other BL's in the area? Just curious.

Ted: Slow your roll, we know it's not perfect but, it is what it is. If we can learn anything and follow up with more questions, even questions for corporate it helps.

Freaked Out: Did you just learn that marketing was up to you? Have you not attended BLU yet or read the agreement? Just wondering. Don't freak, take a deep breath, you can do it.

• <u>sean</u>

Sep 24, 2007 at 2:37 pm

Ted said:*ATTENTION EVERYONE: This is an unregulated site that is not controlled or monitored by anyone. I can come on hear and tell everyone that the world is flat and the sky is magenta and nobody can say anything. The people who are in charge of this are all morons.*

Ted: Welcome to FranchisePick.com! Thanks for your comment. I am the "moron" in charge of the site. I have about 20 years experience in franchising, have helped launched or worked with more than 150 franchise companies, was an executive with one of the most successful start-ups in the past two decades, and write on franchising for major business publications. And while I may still be a moron, the idea of the site is to foster open discussion and debate. Yes, corporate shills can pose as happy franchisee cheerleaders, and, yes, failed franchisees can blame others for their own decisions. As in any discussion, statements can be challenged (not "controlled") by the other participants. Verifiable facts have more weight than emotional accusations and vagueries.

If someone says the Earth is flat & the sky is magenta, YOU have the right to correct them. In the end, the reader decides which argument is valid, which poster is advancing his or her own agenda, and which poster is truly a moron.

It's a neat thing, this free speech.

leigh

Sep 24, 2007 at 2:56 pm

Freaked:

I know exactly how you feel. I purchased a territory in February and it has been an absolute circus trying to lease a space and open ever since. Twice I've been told that my space has been approved, only find out there was a "mistake" and approval was withdrawn. And I've been pressured to accept inferior spaces, that I knew weren't good, just to get open. My broker even "fired" corporate and refuses to do business with BL anymore.

It's absolute Keystone Cops at corporate and the area reps have so much conflict of interest that they often do more harm than good.

ALL THAT SAID... it's business, it's complicated, and we shouldn't expect smooth sailing. Even the "Great Ones" at corporate are just people, no smarter than we are. Probably not as smart, they're punching a timeclock for someone else. We have to expect and jump those hurdles.

Here's some good advice: Don't listen to the pitch of either corporate OR the dissatisfied franchisees. They each have their own agendas. Worry about YOUR agenda. This is YOUR business. Trust your own gut. Do your own homework. Make a good decision, and, once you have, blow off anyone who tries to dissuade you.

If you decide to open, stop visiting this site, it will only distract you and cause you self-doubt.

If you aren't sure if you should open, whatever you do, don't sign that lease. That lease is the one thing you won't be able to get out of. For years. Be absolutely sure first.

I am taking my own advice and not rushing this decision. I'm gathering more information and watching this play out a little before I decide. And I'm documenting everything and have a damn good attorney.

<u>sean</u>

Sep 24, 2007 at 3:10 pm

Freaked out said: *I am told that franchise fees go to putting together templates for marketing and not the marketing itself. Now we are in charge of marketing.*

Freaked Out: Consumer marketing and advertising is paid for by the franchisees, one way or another, no matter which franchise you buy. Franchisees of larger chains pay into national ad funds, regional cooperatives as well as doing their own local promotions. If this is news to you, you didn't do your homework.

Franchise owners need to understand that they are responsible for their own success. The franchisor can give you the blueprint and the tools, but in the end you've got to build the house. There's no silver bullet, no magic TV commercial or radio ad that will fill your club and keep it full. Yes, it's your responsibility to get potential members in the door and to keep them coming back...

• <u>sean</u>

Sep 24, 2007 at 3:19 pm

Leigh said:Don't listen to the pitch of either corporate OR the dissatisfied franchisees. They each have their own agendas. Worry about YOUR agenda. This is YOUR business. Trust your own gut. Do your own homework.

Leigh's last comment has a lot of good advice.

Sunshine

Sep 24, 2007 at 3:58 pm

Sean,

Again I say "Thank you" for this site. Great job for a "moron"!!! :>) Ted: what is your real name and what position do you hold at Butterfly Life?? A lot of the things posted here are not right or wrong, but they are the facts that many of us live each day.

Franchisee: Your information is incorrect, not every one "laid" off was in sales.

As for telling everyone to go to <u>http://www.aafd.org</u> and speak to a professional,GOOD ADVICE. It is highly recommended that everyone reading and posting here do the same.

I wish the very best to every one involved. Some will end up winners, others will be losers and I don't mean in "pounds and inches".

Hold your head high, do the very best job you know how. That is all we can ask of ourselves.

Franchisee-Jackie

Sep 24, 2007 at 4:11 pm

Sunshine: Apparently you have the answers as to whom exactly was fired from corporate, so spill it. Like I said before, I was told by an outside source that Sales and Sales Support were let go. If you want to help then give me something more to go on. If i'm going to raise hell at corporate I need more info.

Franchisee-Jackie

Sep 24, 2007 at 4:18 pm

I have a question about aafd. I've checked that site and the only thing I find is a story about the very 1st franchisees and their complaint from 3 or 4 years ago. I also remember reading somewhere that it was resolved (not sure on this though). I've also checked the BBB, nothing stands out, am I missing something?

leigh

Sep 24, 2007 at 4:41 pm

Franchisee-Jackie and Sean:

I'm glad you asked this, Jackie, I'm confused about AAFD, too. A couple of months ago I spoke to a couple of people there who were trying to recruit BL franchisees to fund a pool of money to sue BL with. It didn't seem to be at all a "neutral" organization, so I limited my interaction with AAFD.

Sean, you're the most learned of us, what can you tell us about AAFD? Have you worked with this organization in conjunction of the other franchises you've worked with?

Pam

Sep 24, 2007 at 5:17 pm

Ted: You are way off base. The conversations that we have with other franchisees are on a mutual basis. There is no harassment, the reason for the calls is to get ideas and help one another be successful. I thought that this blog was going to be a good way to find out what was going on in other parts of the country with BFL. I love this product and my partner and I are doing everything we can to make a go of it. We have built several successful businesses but this time we thought that a franchise was the way to go.....it would be basically set up, we would go through training on the equipment and such and that the branding (there's that word again) would be done by corporate since other franchises do that. I won't mention Curves.....Pizza Hut, McDonalds, Midas, the list goes on. Yes, these companies have been around for years but BFL has been around for a few years now and the message should already be out. We counted on that. We also know that it takes time but when rent is over 7 grand and corporate "takes" 1 grand.....believe me you have to sell a lot of memberships to cover just that. There are several franchisees that are in huge debt trying to get their club off the ground....nobody gave them an accurate estimate for opening costs or pre-sales. THAT is wrong....we were in the same boat but not in debt since we have a certain amount of money and that is what we will work with. Note to Jackie.....\$1,500. per month in advertising is nowhere near what you will need since it's up to you to brand your club yourself. I won't say more....we love our club and our members.....we were told point blank that Corporate would be there every step of the way and that they guaranteed us 100 members before we even opened....that statement is now "heresay"....go figure...never thought I was naive especially at my age and experience. I getting tired of the cat

fights on here.....we should all be supportive of one another.....I applaud the successful clubs and when we reach 350-400 members I will cheer the rest of you on just as I do now. But, when I hear that a club is doing well and they have only 100 or so members I know that they aren't even breaking even and to me that is not what I call success.

Sean: I normally am in total agreement with you but the whole branding thing I feel is a bit distorted......why else would one purchase a franchise? All we got was the name (no-one has ever heard of) and a manual ordering us to buy items that were overpriced, some impractical and from too many different vendors. We could have pulled this off for much less money and trouble. At our ages we wanted something that would be turn key, easy to get

going.....something fun that would help others. What we got was a big headache instead!! Jackie: Do not settle.....make sure that your space is one that is in a great location because half the battle is just that....location, location, location!! We refused to sign the papers until we were secure in a space that we were happy with. They even had to pre-date our paperwork to make it happen because there was no way we would have signed ANYTHING until then! Maybe that should have been our first clue, eh?

Sunshine: We bought a franchise.....if we wanted to do all the legwork (once again) and work extremely hard we would have just gone off on our own and opened a club. Corporate has an obligation to us, we give them a thousand dollars a month. Good health & happiness,

Pam

Sunshine

Sep 24, 2007 at 6:38 pm

Franchisee-Jackie,

When did you sign on the dotted line? How long have you been looking for a location? When did you attend UT? Who taught UT when you were there? Is that person still there today? Have you received ANY marketing plans? Who were they from? Who was your franchise counsler or Area Rep? Are they still employee's/associates of BFL? Do you have the LATEST Franchise Design Guidelines? Have you verified the prices in the book with any of the Vendors? Have you checked or verified delivery times? Shipping charges? How many Weight Loss Express Books and Journals do you have to buy at a time? No exceptions! How many posters will you need to cover your walls? Since you don't yet have a location, do you have any idea how much it will cost to put vinyl on your doors and windows? Have you priced your sign? What do you think of that \$350.00 blue rug you are required to have? It may be a good thing you are in Calif. you may save some on shipping. Are you going to pay \$8.00 a piece for a work-out towel for your members? And what about the retail line of clothing? Realize that not all clubs are located in Calif. Can a club in Texas, Flordia, Georgia N.C.,S.C., Virginia, Conn. get \$60.00 for a pair of yoga pants? \$45.00-\$50.00 for a matching jacket?

Why would you want to raise hell with BFL Corp. office? Stand your ground. I agree! The final choice for your club location should be YOUR'S not theirs. They are going to get their money every month no matter which corner of the block or side of the street you are on. It is your money you are spending

Contact this person: <u>rpurvin@aafd.org</u> for more information about Butterfly Life.

Pam: I hear the pain and I do totally understand where you are coming from. Don't all franchisee/ club owners (BFL) wish they could pay themselves that \$1,000.00 each month.I believe that was the intent of many people who chose to purchase these franchises. To eventually make a return on what they invested. Break even each month is one thing, making a

profit is another.

Lets not fail to mention again the \$1,500.00 each month that every club open is suppose to spend on advertising. Lets add this up 100 clubs x 1,500.00 a month =150,000.00 every month that the franchisee's are paying for advertising? Can any one say just how much BFL Corp. spends every month on "BRANDING" .Lets do that again. 150,000.00 each month x 12 months = 1,800,000.00 per year the franchisee's are paying. And how much did Corp. spend in 2006-2007 for CLUB MEMBERSHIP advertising?

FYI: There are not currently 100 clubs open and in operation. The club counts are like the memberships, open one this week and next week 2 more will close their doors. Come back to this site next month and see how many of these same people have had to close or lost their clubs.

freaked out

Sep 24, 2007 at 7:27 pm

FYI- I mentioned having to pay for advertising to explain the mixed stories I heard from BFL. Initially it was we are marketing nationally and then it was marketing is up to you. Sean you appear to have an agenda ??? Not sure. But I have don'e my homework. I guess I was was under the assumption that this site was to help voice opinions, concerns, ect. Maybe the BFL website is a more appropriate place to visit for BS.

• BR

Sep 24, 2007 at 8:18 pm

Sean: I think you were too kind to Ted who obviously did not do his homework and researched this website and your background before posting. We are grateful to you Sean for your experience and this forum.

Leigh/Franchisee-Jackie/All: Yes you may be confused about the AAFD where Butterfly Life is concerned. In late 2004, when there were 16 franchises open, yes disgruntled franchisees (promises made never delivered) approached the AAFD seeking help in dialoging with Corporate. That IS what the AAFD does with many name franchisees/ors across the country. The response from Corporate was a resounding slammed door! Twelve of the 16 joined under the auspice of trying to continue to try for dialogue and possibly salvage their investments or make successes of their invesments. No dialogue was ever opened as the door continued to slam! By the way not one of those 16(some who opened in 2003) are open. Many are bankrupt! The AAFD is helping the now many BFL franchisees since 03-04(a great number closed or struggling with a few months left or turning their clubs over after a very short time for a Corporate gain) find a way to re-coup the unbelievable losses from a misrepresented business model. This is not a young company. It will enter it 5th year in 08. If you need two to three years working capital why is that not stated in the sales pitch. is it owner operated or you can keep you day job and run it with a staff. (I've heard it pitched both ways) And franchisees expected to spend on local grass roots marketing they did not plan on branding the product except through their success as viable franchise. They were promised TV shows, books vitamins, liason with a National home products "guru", commercials. (Commercials came but focused on franchise sales not brand or business) None have materialized. If there are start up failures expected what is the rate these days 30% every year sometimes 50% of opened stores. And what is the plan of the franchisor to address these issues. If they are now focusing of the current franchisees, then who will be servicing them, all the counselors and sales people are gone from the website, even prominent university trainers. Not much has changed in the operation at corporate. Except to throuw a

great many release and hold harmless agremnets to former franchisees.

After 2-3 years Curves was on Oprah, "the Show" not the 1-5 minutes before. (I have a friend in Florida who owns 4 Curves and been in the system for 7 years, she is well above breakeven on all 4 and they didn't open at the same time and was on her 1st club early on). BFL is no Curves. The question is if you are sold "an expensive SUV(Escalade) and what is delivered is an(Escape) and you try very hard to make it into the Escalade, on your own with no Corporate help and can't do it because you planned for 2-3x their estimates and that is not enough. When can you state that perhaps the sales pitch completely misrepresented the product and the company behind it and mistated the "State of its Union.

Google caleasi. The DOC"s site for UFOC filings, look at the history.

And Leigh or others if you decide to open be sure you have an out with your lease or the ability to go independent. Yes this is business, big business with a fraudulent sales pitch that entices the signature on the line and the money in their pockets.

To the person who has contacted 40 postive franchisees, let's match lists or is positive "I don't have a second on my house yet."

And Leigh if you have the moxy call Bob Purvin of the AAFD and have him tell you that the Butterfly Life Chapter is indeed a different animal for them, not initially, but one they willingly take on. Or read his book about franchise fraud, Sean has complimented on this site.

Franchisee-Jackie

Sep 24, 2007 at 8:20 pm

Sunshine: Take a breath. So many questions, here are the short answers. Signed early 07, been looking for a space since then, i'm very picky. Yes the folks who taught BLU are still there. I never had a franchise counselor or area rep. Yes I have current stuff. I'm aware of what I have to order and have budgeted appropriately. I utilized the UFOC as well as the BL website and contacted owners to find out things such as cost, before I signed anything. And yes, folks here in CA will pay those ridiculous prices for workout wear. I happen to agree with the corporate guidelines for location. If you're in a busy shopping center where women can do there thing with you and then conveniently run into the local store, your going to see them more.

The reason I want to raise hell is that I agree with all of you that BL needs to get some commercials going again. So...i've answered your questions now maybe you can answer mine. Please keep in mind that we are not enemies, we're here to learn something and help each other. When did you sign and how long have you been open? Where are you located and how many members do you have?

Oh and about the \$1500 per mo advertising requirement...that's for the first 4 months. After that you can decide how much or little to spend.

Franchisee-Jackie

Sep 24, 2007 at 8:25 pm

cont'd...Yes I know, with out BL helping us by Branding as promised, we will need to spend more on advertising.

So Sunshine, if you have info on who was fired or anything else that spells doom and gloom, share it. Isn't that the idea here. And please stop insulting me by assuming that I'm just naive because I still have hope for success.

• <u>sean</u>

Sep 25, 2007 at 2:50 am

Good information and ideas. Thanks for your comments. Sometimes comments come off more insulting or abrasive than intended, so keep your cool. Try to attack the arguments or information, not each other, and the conversation will be more productive. These are important issues.

freaked out said: *I mentioned having to pay for advertising to explain the mixed stories I heard from BFL. Initially it was we are marketing nationally and then it was marketing is up to you. Sean you appear to have an agenda ???*

As a marketing consultant to franchise companies, here's my agenda: I push franchisors to develop clear and compelling brand images and brand "stories" that are true, real and integrated throughout the entire organization. I compel them to put together strong, results-oriented promotional program franchisees can implement on the local level (because that's what works), as well as branding initiatives that benefit the entire system. I compel them to use their ad fund effectively for the sole purpose of driving unit sales, and to disclose every expenditure to franchisees in detailed reports. (My approach does not appeal to franchisors who don't put their franchisees' success first) My focus is on franchisee success because in *good organizations* that's what drives everyone's success.

After providing a clear, compelling brand message, a strong strategy and tools, I tell franchisees what they don't want to hear: The truth. It's up to them to win their market, to build their businesses, to get customers in their door, and keep them coming back (with friends in tow). Many ad agencies will tell you what you want to hear, but I'll tell you what you need to hear. My experience isn't out of a book... it's the result of working with thousands of franchisees and learning from the most successful of them.

The franchisor has the obligation to provide a strong brand image and the means to communicate it as best they can within the budget they have to work with. If they're not providing you with the tools you need, you have a legitimate gripe and need to push until you get it. Ultimately, they will listen... but only if you accept responsibility for implementation and are realistic. That's just the way it is.

Those who have already closed are understandably going to focus on who's to blame. Those still in the game need to push for solutions and can't afford to get unduly negative. Those who haven't signed a lease should study these issues very carefully.

• Brandi

Sep 25, 2007 at 6:27 am

As a previous owner of a BFL club I have only one agenda, to let potential franchisees know that you need way more money than BFL says to reach break-even and consequently make a profit.

The clubs I know that reached break-even in the time Corporate says it takes, did so by spending considerably more than \$1,500 a month. Please have AT LEAST a year of working capital. GOOD LUCK!

sean

Sep 25, 2007 at 9:49 am

I think you'll all find this post very interesting: <u>Franchise Dreams Becoming Nightmares for Many Fitness Club Owners</u>

Nearly 60 Contours Express franchisees are alleging fraud and breach of contract. There's a link to the Petition for Damages document that has not been circulated publicly until now. They also complain of unrealistic start-up costs and breakeven projections.

Question for those who have opened BF franchises: In your opinion, what is the REAL initial investment number they should be using? What was the actual cost of opening your facility? What was the actual working capital (dollar figure) needed?

leigh

Sep 25, 2007 at 10:06 am

Yes, Sean, I saw that post- facinating and timely! Did you write it?

I'm going to go back and look through all of the Contours Express postings now... compare them. Jackie and Freaked, you guys should, also.

I will say that when I was researching franchises I went to visit a Contours in my town. She had only been open two months and had that serious "deer in the headlights" look. She closed the next month.

• leigh

Sep 25, 2007 at 10:11 am

BR: Actually, I have spoken to Bob Purvin, and I've sat in on one of the conference calls.

I completely understand the position of the early franchisees involved in this action. But it's just not appropriate for me to be involved, because I haven't opened, may not ever, and therefore haven't yet been injured by BL. The only thing I'm out is my franchise fee, which, if I wanted to pursue "getting whole," I would have to do independently.

I have no beef with you guys. I think you got suckered.

Franchisee-Jackie

Sep 25, 2007 at 11:26 am

I believe that Butterfly Life has the best product that's why i'm not going to run away. I am however going to approach this venture differently. I'm going to have to act as if this is a startup, not a franchise and proceed accordingly. I will definately start by choosing a smaller more affordable space. Those of you who are open...how important is the retail part of BL, how much \$ per mo does that bring in? Maybe i'll go small enough to ditch that whole corner. Opinions? Please share. I will just have to really focus on grass roots marketing and work with what i've got.

That said...I need to get back to focusing on finding a location. I'll check in now and then and hopefully those of you who are struggling are still here and doing much better. Good luck to you and to those of us who are just starting out stay positive. ttfn

Franchise Dreams Becoming Nightmares for Many Fitness Club Owners Sep 25, 2007 at 12:08 pm

[...] Is Contours Express a Great Fitness Franchise? Is Curves for Women a Good Franchise Investment? IS BUTTERFLY LIFE A GREAT FITNESS FRANCHISE? Will the REAL Butterfly Life Franchise Please Wave Its Wings? The Contours Express Second Amended [...]

Pam

Sep 25, 2007 at 12:12 pm

Jackie: It's a shame that you can't just dump BFL and do this on your own! As for the retail part of it....we don't sell much but according to BFL you are supposed to order \$1,200. worth before

you open. The list is worked out for you.....I had to change some stuff since it was summer when we opened. Good luck, I wish you all the best!! Pam

 <u>Contours Express Franchise Owners Allege Fraud, Breach of Contract at PIGASYS</u> Sep 25, 2007 at 3:41 pm

[...] IS BUTTERFLY LIFE A GREAT FITNESS FRANCHISE? [...]

Jackie

Sep 25, 2007 at 5:33 pm

Thanks Pam I wish you the best as well. I appreciate everyone's comments and ideas, good luck and thanks for sharing.

BR

Sep 25, 2007 at 11:12 pm

Leigh, If you have sat in on the calls you obviously could not identify yourself yet in your earlier postings your seem to intimate that this may be a good venture, just young. Then why not stick with it through the growing pains for your greater reward. I give this whole company 6 months. For future franchisees how many franchise contracts have been signed in the last three months. Again how many are successful per the model sold.

And yes we may have been suckers but so are you. You obviously didn't do your field research or you would know the failure rate and the impending failures or could it have been hidden. Your attitude is different than when you first blogged(contacted). Apparently you have a big pocket of money and 30k is no loss and you have the concscience of those who watch crimes committed and do not have the strength to speak up. This company is not a young start up waiting to organize, it is a failure waiting for the cons who started it to give it up. I have been party to many product start ups in my career and the companies launching have had greater smarts to "know when to fold them". And I will verify your conversation with Mr. Purvin . And by the way Leigh, those suckers out there gave you incredible insight and knowledge when you requested it through the website. It is a shame that you speak so negatively of those that helped you with your business decision. You have a grain of sand of knowledge on this franchise. It also is a shame you shun personal interaction afforded to you but prefer anonymous censure. I applaud those who have taken a stand and not just covered their behinds.

Anti Butterfly

Sep 26, 2007 at 12:28 am

BR:

I agree whole heartedly with what you just said! Leigh would be singing a different tune if she had just walked in our shoes for the last 2 years!

Many of us have had our own businesses for years. We are not stupid nor are we inexperienced. Our down fall is believing the sales pitch - when I was sold the regular TV spot on Oprah -He said It was a "done deal".

I only wish this blog would have been here for me to read because I would have spun on my heel and run.

By the way -I only sold about half my original \$1,200 retail after 20 months in business. No profit there-now it's in a garbage bag in storage.

leigh Sep 26, 2007 at 7:47 am

BR:

Wow, I'm sorry if you felt I insulted you; it was not my intent. I thought this blog was to share information and ideas, not attack each other. That's no way to be successful.

To be clear, I sat in on one call and decided that suing BL was not appropriate for me. I did not criticize you because that's what you have chosen to do.

As for anonymity, if you have something valid and true to say, there's no need for anonymity, initials, or made-up names. That's why I use my real name.

I've enjoyed the postings, but it's deteriorated into a cat fight, which is not productive. I think my time is better spent elsewhere.

Good luck, everyone!

sean
 Sep 26, 2007 at 12:10 pm

Sometimes comments come off more insulting or abrasive than intended, so keep your cool. Try to attack the arguments or information, not each other, and the conversation will be more productive.

The combination of highly emotional issues, anonymity & comments that are both written and read quickly can cause some miscommunication and hot exchanges. Let's not blow the opportunity for good, open dialogue. Let cooler heads prevail. (Remember how graciously I accepted being called a moron? Of course, I get a lot of practice.)

Kathy

Sep 26, 2007 at 3:47 pm

Loan from the Bank to open a club - \$120,000 250 - 300 member to break even - \$12,000 Another 100 members to pay loan - \$1,500 Another 100 members to pay Salary - \$1,500 Money to pay for yourself

Kathy Sep 26, 2007 at 3:48 pm

Enough money to pay yourself - Priceless

Kathy Sep 26, 2007 at 3:51 pm

Cont' I am thinking that a salary of \$1,500 a month for the 14 hours a day you have to spend running your club is not a very big salary. You have to ask yourself "Is it worth it?"

<u>Miracle Max</u> Sep 26, 2007 at 5:53 pm That might only be \$4-\$5 an hour, but what about the perks? Like... free exercise!

Anti Butterfly

Sep 26, 2007 at 7:44 pm

Someone else and I have the same first name & already was writing on the blog so I used my feelings to create a name.

Sunshine

Sep 26, 2007 at 8:11 pm

Sean,

Early 06....including franchise fees, build-out according to Corp. requirements, signs, retail racks, clothing, cubbies, lockers, sofa, chair, circuit equipment, rebounders, Life Vision, etc. on the East Coast 139,000.00 which DID NOT include 6 months of operating capital @7,000. each month. Another 42,000.00 not to mention advertising BEFORE you open your club approx. 8,000.00. The first 100 members to sign pay no enrollment, no processing fees. Depending on your market monthly fees on average are 29.00-59.00 a month. Even at 39.00 a month, that takes several memberships (175!) just to cover one month of expenses. Some of the club owners are in their club 12-14 hours a day, where as others take the 2-3 hour break in the middle of the day to "work" out side the club marketing.

Sunshine

Sep 26, 2007 at 8:33 pm

Opinions. Cat fights, insults, hurt feelings, misunderstandings,truths, lies, all of these are part of life. Some of the people posting here are honestly trying to help others-give caution to others. To those that are and have been successful-share your story how you became successful. What "works" for one club in Calif. may not work for a club in N.C. Those that are failing, losing their homes, filling bankruptcy when 2 years ago they had a perfect credit rating are sharing their experiences, their pain, their suffering, their fear of their own future- all in hopes that others MAY learn something from these post. BFL has mislead, misrepresented and out right lied to many people maybe not to all. Some have voiced that here. I have learned a lot from these post-take what you want or need-leave the rest behind. I have gained some very sound advice from the "moron". Thank you again Sean.

Sooooo Disappointed

Sep 27, 2007 at 7:52 am

What all this boils down to is this: What were you told before you purchased the facility. The cost of opening, and how long it would take before you would break even. I purchased in 05 and was told it will take four months to break even. The cost in the ufoc only had three months of working Capital in it. It also listed only 14,000 - 20,000 for all the other equipment and furniture. (Did not include circuit) Until I went to the franchise university I could not confirm the prices of the couch, desk, lockers, relizon products etc. If you added everything in the book they wanted you to buy it was well over 20,000. I also asked three different times if that 20,000 included the price for the building sign. And I was told yes three times. I was trying to make a good decision based on how much money it was going to take. By the way the sign is not included in the price of the 20,000. My sign cost \$5,000. Anyone looking for a sign it's for Sale. Before I opened Mark had a franchise seminar here and sold me a bill of goods and how the cost was going up. The new ufoc was coming out and the costs of the franchise fee were going to \$1400. \$1000 royalty

and \$400 advertising. The new ufoc was in at the Dept of Corporation and it was a matter of days before this would go into effect. So if you wanted to be under the 2nd ufoc you had to hurry. He also told me that when the 30minute TV show hit in June 06 (this was not a matter of if it was to air, but firm June air time) the franchise fees were going to be 59,000. I bought into the lies and purchased three more clubs. After all I loved the club and with the background of corporate... Butterfly Life would be know nation wide. Or so they said. I was told they expected 500 opened clubs by the end of 06. Their numbers are always so far off. When I decided to go ahead they knew I should have had the 2nd ufoc in my possession for 10days prior to signing for the new clubs. But they conveniently let that slide. I found out later they did raise the royalty fee to \$1000 but terminated the \$400 advertising fee at the end of 05. All clubs who signed prior to 2006 all have to still pay a \$400 ad fee. Don't understand how they can charge some clubs and not others for the ad fee. I tried every type of advertising they suggested and more, did a lot of community shows to promote my business. I circled an area around my club and did outreach. This is a very hard business and trying to maintain members is very hard to do. Even if they see great results and enjoy the club does not mean they will stay. Your always trying for new members and without the national advertising to help most will not succeed. Corporate comes out a couple of times a year during conference calls to let you know about a hugh campaign push. Big national TV push be sure to man your phones, this was July 06. They said they were throwing hundreds of thousands of dollars at this campaign. I received one call and when I called around to other clubs they were experiencing the same thing which was nothing. Corporate would never give the same story on what happened. They new a lot of clubs were in trouble and I think they just tried to say anything to keep you going. They also promised on the same conference call that in September and October 06 they were going to run full page ads in women's magazines and large ads in National papers around the country. The only thing they ran was a ½ page ad in a franchise magazine to sell more franchises. So what were trying to tell all of the new people who have not yet opened is they will always promise something great to keep you hoping for the next couple of months that things will pick up and that their's something new in the works. What ever happened to purple door communications (this was five business women who were hired by corporate to promote all the butterflies that were opened) they did start with brand new clubs who just opened in Florida but have never heard from them after that. My business is now closed and I am 275,000 in debt. I can't tell you how many times I just sat in my club after it was closed and cried. If you do not have large amount of liquid cash that if you loose it's ok. My suggestion is not to do it until they change their business tactics and give the truth on cost and time and their business plan for branding the name (not pie in the sky branding). How many clubs are at the 400 level of members? Remember break even does not make you money. How many of you have families, I was told one person easy could run this club. I was going to hire someone part time after I broke even. Never made it to that level. When I called corporate to tell them I really needed help all Mark could say (after he mentioned how much trouble I would be in with my landlord if I shut my doors was) SORRY ITS ONLY BUSINESS!! Well I never would have opened the business if the true numbers were in place!!! I do wish the best for all of you still trying, but if you're running low on money don't wait on the promises of corporate. Start putting together your exit strategy before it's to late. The only good thing is the 3rd generation of equipment now has more weight so you might not loose existing customers who plateau on the old machines. I wish the best for all who have purchased these franchises.

<u>sean</u>
 <u>Sep 27, 2007 at 11:56 am</u>

Socooo Disappointed: I am sorry to hear how badly things turned out for you. Thanks for sharing your painful experience; no doubt you helped someone else make an informed decision. Often, the entrepreneurs who start companies and the sales people who sell opportunities often have the "It's only business" viewpoint. To many of them, this is just a game, with winners and losers... nothing personal. To most franchisees, it couldn't be more personal: Their savings, credit rating, credibility, self-esteem, marriages and happiness are on the line. You will survive and emerge stronger... karma will prevail.

Linda

Sep 27, 2007 at 2:21 pm

Sean - love your thoughtful comments.....you moron you!!!(just joking!) We need you to be our mediator with BFL......joking again!!! Thanks for bringing everyone back to what's important....sharing pros and cons and hopefully giving others the tools to make a wise decision. Leigh - It's most definitely appropriate for you to support those in the AAFD. "The only thing I'm out is my franchisee fee " seems like a lot of money to me, and to those who have filed bankruptcy; lost their homes; their retirement..... I bet you don't know how many people were out "just their franchise" fee! I'm an original owner (now closed) and there is much the newbies don't know. How do you think they've made a huge portion of their money..... because no one has challenged them. You can't walk away and allow Mark and Tom to destroy other peoples lives without any remorse. We all have a responsibility to each other to stand tall and to stand together to demand ethics, integrity and professionalism in the business world. If you were on the conference call long enough you would have known that you can "get whole" without going independently. That's why we have to stand together. Franchisee Jackie - Maybe things have changed, but we had to abide by the franchise agreement regarding the size of the club. We couldn't go smaller just to save money. I commend your positive attitude....as we all had in the beginning. What has BFL done to make you successful?......they have given you a name......that hasn't even been branded.......you could continue on your own......buy your own DVDs......save \$1,000 a month and be as successful as you will be with them! We don't want anyone to close their doors......we just want them to get the help they were promised! As Pam says....you can do this on your own! Remember, when they change their Franchise Agreement, you will have to abide by it. BR and Sooooo Disappointed - You said it well.....can you believe I could add a lot to it?!?!?!? By the way.....check out the lawsuit against Linda Evans......Mark closed the doors and hoped no one would find him.....Carol Edmonston and 410 paid members did and filed a suit with the Orange County DA's office and collected \$40,000 from Mark Golob and \$70,000 from Mark Mastrov. This is public information that was published in the Orange County Register several years ago (google it)........Golob sounds like an upstanding man to me!.....and there's a lot more we don't know about yet......people are finally coming forward.....it ain't over till the fat woman (no pun intended!) sings......and she hasn't sung yet!!!!!!!!! Good luck to those who can make this work.....I would love nothing more.

I wish you clear vision and great success (thanks RM for a geat motto....I told you I'll use it all the time)

sean

Sep 28, 2007 at 4:47 am

FYI: The Contours Express franchise lawsuit document and the Contours Express franchise disclosure documents are available for download at the FranBest.com document library: <u>http://www.franbest.com/?page_id=323</u>

<u>sean</u> Sep 28, 2007 at 5:49 am

The Butterfly Life franchise agreement, franchise offering circular, area development agreement, area representative agreement, and list of franchisees are posted as free downloads at the FranBest.Com <u>Franchise Document Library</u>:

http://www.franbest.com/?page_id=323

 Franchise Dreams Becoming Nightmares for Many Fitness Club Owners at PIGASYS Sep 28, 2007 at 6:57 am

[...] Is Contours Express a Great Fitness Franchise? Is Curves for Women a Good Franchise Investment? IS BUTTERFLY LIFE A GREAT FITNESS FRANCHISE? Will the REAL Butterfly Life Franchise Please Wave Its Wings? The Contours Express Second Amended [...]

• Sunshine

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Sep 29, 2007 at 9:28 pm

Sean,

I would like to ask you a question based on your "moron" knowledge and what you have read here. Bottom line is some of these franchise owners feel abused, used, lied to, cheated. What would your advice be to these owners going under/out as we speak?

Yes, each one signed their agreements with or without the advice of an attorney, yes they knew they would be paying royalty fees each month, but many were lead to believe that with a "combined 100 years of experience from the Corp. team" that by this time there would be hundreds of other clubs open and successful. That women all across America (not just those in Calif.) would know what-Butterfly Life-is.

How can these franchise owners turn this around before losing everything? What would be your advice to someone who has not "signed on the dotted line" already?

All Knowing

Oct 2, 2007 at 3:49 pm

I know the question is directed to Sean, but for all it's worth....RUN! RUN! RUN! the other way!!!!!!

Lost in confusion

Oct 2, 2007 at 8:47 pm

Where's Waldo?.....oops......I mean Mark Golob? Have you been banned from corporate or are you taking a lengthy vacation with the money from those who never opened?

Broke

Oct 3, 2007 at 11:55 am

I have been open a little over 7 months. (past the point coporate said I would be breaking even) I have been working my tail off, doing everything coporate suggests. I just ran my P & L statement for the last quarter. My income was a little over \$6,000 and my expenses (including advertising, rent, utilities, insurance and misc.) where a total of \$20,538. You do the math. This does not include a salary or payroll.

Anti Butterfly

Oct 4, 2007 at 7:55 am

Broke, I am so very sorry - my income never got higher than yours in over a year and a half - my expenses were some less thank goodness. I too

followed everything my rep said - with the exception of the monthly postcards & advo after I had no advertising dollars left.

I am now closed, dealing with a law suit from my landlord, threats from corporate of a lawsuit as well as working with my atty. on a bankrupcy. Less than 2 years ago, I had \$200,000 in the bank and a 800 credit rating, Now I have maxed my credit cards,spent the \$200,000 and have law suits looming and am declaring bankrupcy. What a life changing experience I have had with Butterfly Life! Do you think that was the "life changing experience" they are selling?

Ex Ms Contours

Oct 4, 2007 at 10:29 am

Anti Butterfly-your story is my story. I owned a Contours Express for 4 1/2 months, started with a little over \$100,000. Now 1 year later the landlord sued me so I filed bankruptcy and am working 2 jobs just to pay the high mortgage from refinancing my home. It sounds like you guys are where we were a 10 months ago going back and forth about how you were lied to and cheated by these people! Now we at least have a lawyer and a lawsuit to hopefully get some of our loss back and make Contours Express Corporate change their ways. Good luck to all of you and hang in there. Maybe our lawyer can help you.

Doing My Best

Oct 9, 2007 at 1:01 pm

I understand many of you are scared and angry. Have you noticed that none of the franchisees who are making it post here - and before you jump all over it - yes, there are some. That's because they are too busy doing what they are supposed to do and what Sean has wisely suggested- running thier business and focusing on local marketing.

If you think sueing corporate is going to do anyone any good, think again. If you're right and they are in tough financial times what will they have in the way of money to give to you!?! I talked to the AAFD. Think about this. They are lawyers, how do they make money? Through lawsuits not negotiations. I have yet to hear any other solution than litigation. BL corporate loses, paying out money to defend, filing parties lose because there is nothing left to pay out and meanwhile you are ruining it for those who are trying to make it by diverting much needed resources. I don't doubt some qustionable claims were made but there are two sides. Brands don't come in a bottle. No one heard of Curves until the late 90's by which time they had 5,000+ clubs and all of them paying into a marketing fund. That's what we need.

Now go ahead and let lose with all your angry responses but realize the amount of time some of you with clubs spend here focusing on dooms day could be spent making this work. To those of

you who are already closed, I am truly sorry. I can imagine the devastation. But, will you feel better if corporate and all the current franchisees are bankrupt with you?

Sean

Oct 9, 2007 at 2:59 pm

Doing My Best: I never said that the people posting here are failing because they spend time blogging instead of doing local store marketing, as you imply. They have it all on the line and are looking for help. In my opinion, if Butterfly Life corporate wants to avert the lose-lose scenario you describe, they need to restore faith that they truly care and will work with the franchisees to help them succeed on the local level.

In my opinion, the Area Reps have to realize that their investment isn't being threatened by bad press and it won't be saved by sweeping problems under the rug. It will be addressing the marketing problems and working together to build the brand. The company needs to step up with some real, results-oriented marketing initiatives that drive membership. If they can't do that, there are alternatives to litigation and mutual destruction. Franchisors have suspended or greatly reduced their royalties, temporarily or permanently. Franchisors have released marginal stores from their franchise agreements to try to make it work as independents. Doing My Best: This is the time when franchisors need to step up to the plate and show some leadership, as well as concern. They may be doing this... are they?

Ex Ms Contours

Oct 9, 2007 at 4:32 pm

Yes, Sean- sure is sad that Contours Corporate might be concerned now, only because there is a lawsuit pending against them. If we hadn't of stood up for our rights when we did, they would still be going on with their frauduent dealings, and probably still are!

Pam

Oct 9, 2007 at 4:43 pm

Doing My Best: Who are you? Where is your club located? I get the impression that you are a successful Butterfly Life franchisee and I would LOVE to know how many members you have and how long it took you to get them. I agree with those that have stated that they think BFL is the BEST product out there for women ~~ I love it and our members love it. My concern is that we were told one thing.....several things....and they have turned out not to be so. If we had known the truth, as much as we like the product, we would have never bought into this business!! Our opening day was in early July and now we have 50 members and one on hold due to a shoulder injury. We need 350 -400 members as our rent alone is over \$7,000. SO...will we make it? We will do our best along with lots of prayers and luck!!!!

Broke

Oct 11, 2007 at 7:10 am

Doing my best, go ahead and say what you want. Lets see how you feel when you have been open for over a year and you are close to losing your house because you have filed for bankruptcy. No, we are not trying to make corporate and everyone else go bankrupt with us. That is not the point here. The point is we where cheated and lied to and we want the lies to stop for current franchiees or even future franchisees. Even though my club was not succesful, I wish success for franchisees who are still open. If we have to band together against corporate to make them step up and do what they promised us and many others then that is what has to happen. I do believe in the product but when you are doing everything in your power to keep your club running and corporate is not holding up their end, then you are basically a sitting duck. You buy a franchise for the name. If I wanted to have struggling club, then I would have opened under my own name and not bought into a franchise. I haven't seen a BFL commercial in over a year. The only reason I saw that one that day was I just happened to be wathcing a channel that I or other people don't ordinarly watch. No they don't advertise on a local channel during the day when Moms and housewives are at home. They advertise on something like Lifetime channel on a late Sunday afternoon. I have even spoke with people who live in CA and they have never heard of BFL. I have spoke with a man that lives down the road in San Ramon that has never heard of BFL. What does that say? As for you and the others who do not agree with us, go ahead struggle, stress, wish for the best and let Corporate continue with their lies and broken promises.

Broke

Oct 11, 2007 at 7:24 am

Doing my best....one more thing. I see you found time in your "busy marketing schedule" to blog in. You must have missed at least 15 leads blogging in. Imao!

Hotel California

Oct 11, 2007 at 11:40 pm

To Doing My Best, and all:

The fact needs to be said those "some misrepresentations" that Doing My Best alluded to could be fraud in this country. If those little misrepresentations cause some one to sign on the dotted line, fork over the money into a venture that was not properly sold, what does that say? Those of us who have been around for longer that one year have seen the corporate drill over and over. And to "Doing My Best" We have gone out there and worked out backsides off. Why do you think we are still here after two and three years? Our own efforts and surprise OUR OWN MONEY going into promoting a non existent brand! Plus stepping outside the box not in the model to find other ways to generate revenue. I have spent more advertising \$\$ in my area than corporate. My marketing area knows me and my club more than my brand name. I could be Joe's Gym and they will still come. Has nothing to do with the sign on my building! I still ask where's Martha? An area rep told me in a phone conversation that that was a done deal!! And she would help me anytime. Of course the conversation started with her calling me under false pretences. When are THEY going to quit the Kool -Aid and smell the coffee? We are not dragging any one down. We just have seen the light sooner and want our money back. WAS THERE FRAUD IN THE INDUCEMENT?

Sean you asked about training and guidelines that Corporate has provided. I will be in touch. I am still trying to figure out why I get and e-mail from Corporate that the Wed. training call has been cancelled but never get the one where it was scheduled!

Titanic

Oct 12, 2007 at 8:11 am

BFL Corporate office consists of a 'SLICK CAR SALESMAN' who hired a bunch of 'CHEERLEADERS' who are willing to lie for him - (they must be paid very well).

When the franchisee tells the 'CHEERLEADER'

"I'm worried I need more members & I'm running out of money - -I'm doing everything you told me to do". The 'Lying Cheerleaders' say: "Oh you must be doing something wrong because you are the only one having this problem - the other clubs are doing great".

This leaves us to think what failures we are

when in reality if there are successful clubs out there they should ask that club owner to outline for the rest of us how they did it. I guarantee you that IF they did it "outside the Model".

Those clubs only exist in the lies of the car salesman and the cheerleaders. I'm wondering how they sleep at night.

Another question I have is since when is break even a 'successful club'. I got into this business to make money and pay my bills not to work 14 hour days only to come out of pocket 6 to 10 thousand dollars each and every month.

I would have never got into this business if I would have been told you'll need at least \$200,000 or more to sustain until you are break even. I knew I didn't have that kind of money so just like I don't buy the Corvette when I can only afford the Cavalier, I would have looked for another business I could afford to make successful.

I believe Area Rep club owners are the ones who are posting the possative blogs on this site because they have paid corporate \$250,000 for a 50 club sales area. With this purchase they have the right to open their own club. They have invested I would guess around \$350,000 by the time they buy the 50 club sales area and open a club of their own.

They have a lot of money invested and if this Brand fails - they walk away losing even more money than the rest of us so they need to paint a rosey picture just like the Car salesman and the Cheerleaders do.

I just want to state that we franchisees are not stupid people we have experience in running successful businesses-we are educated and successful people.

If BFL corporate delivered what they promised us in branding - people would know who we are -If we were on in the Oprah - Dr Phil slot as promised, we would be branded and a huge percentage of the women would know who we are.

If Chevrolet promised a 50,000 bumper to bumper warranty on the car you purchase - you know you are going to get that bumper to bumper warranty because you can take them to court if they don't honor it. So why are the people who blog on here so upset when they hear half the franchisees are planning on taking BFL corporate to court to make them honor what was promised in the sale?

I believe it is the area reps who have \$250,000 to \$350,000 on the line who want to paint the rosey picture because they too are worried about losing their entire investment. If corporate really wants to make this model successful they would right their wrongs own up to their lies and go on to be a successful model.

If they don't just like the Titanic - - - in the end it sank.

• sean

Oct 12, 2007 at 10:37 am

Titanic said: ... If we were on in the Oprah - Dr Phil slot as promised, we would be branded and a huge percentage of the women would know who we are...

There are two separate topics of concern here that should, IMHO, be handled separately. One is whether the FR has not fulfilled the obligations as agreed to in the franchise agreement. That's an issue to discuss with an attorney. Let's put that aside for the moment.

The second issue is: What can existing club owners do to boost membership and retention in a competitive market? And how can they pay for it? This IS my area. Usually I'm hired by franchisors but I work for the franchisees, as I'm generally paid out of the ad fund which is their money. (Plus, if franchisees don't buy-in or understand marketing, I won't get results.) Often, I establish the purpose & use of the ad fund and police its use. I don't kiss either FRs or FEEs heinies, either privately or publicly. I often offend both sides simultaneously... because that's what's usually needed.

If I came in to Butterfly Life as a marketing consultant, my first suspicion would be that neither the franchisor nor most franchisees have a clue about how to market their business. The first clue is the name, which is a marketing albatross. The second is all this talk about tv commercials, a tv show on NBC, Oprah, Dr. Phil. (That talk might sell franchises, but not memberships) Add to that other classic bad marketing moves: Comparisons to Curves, bragging about your equipment vs. hydraulics, etc. My point to both sides would be: put aside who's to blame and focus on fixing it... NOW. If the FR isn't moving in that direction, franchisees and reps need to work together to do it on their own. *If they don't just like the Titanic - - - in the end it sank.* It's not rocket surgery. Members are not willing to drive more than 12 minutes - generally 3 miles - to a health club. The three mile radius around your club is your universe, and the "deconditioned" women within that circle are the only ones you should be concerned with. Those are the only ones who need to understand your brand. You don't need to be on Oprah to tell your neighbors what you do.

Second, you never sell against your competitor. You look like losers.

Third, your prospects (especially deconditioned prospects) don't care about your equipment. They care about how they imagine you are going to make them look and feel. Revlon's Charles Revson said "In the factory, we make cosmetics. In the store, we sell hope." Too often, BL is selling cosmetics.

The fact that it's simple doesn't make it easy. Because your potential membership pool is so limited, you've got to have great, not just good, programs for trial, conversion and retention. Titanic makes two good points. The first is that the area reps have the most to lose. In my opinion, the key is for the area reps to realize that they've got to work with the franchisees to fix the problem and develop those programs. You need to hire a professional to put together measurable, effective marketing and end the silliness. The clock's ticking, as you all know. The second point is that you've got to find out what's working for others, even if it's outside the model. You all need to be health club marketing experts, fast, and stop dreaming of Dr. Phil. Last week I spent two days at a healthclub marketing conference where a lot of successful owners shared their secrets. No one from BL - corporate, AR or franchisee - were in attendance.

Titanic

Oct 12, 2007 at 1:06 pm

In regards to the membership advertising on the Oprah/Dr.Phil segment: The way it was sold to me by the car salesman was that it wasn't a commercial but a motivation segment and diet were going to be promoted and the 3rd part of the Butterfly Life Plan was to get in to the Club in your area to get the complete package of exercise and personal care. This was all to be followed up by a Butterfly Life book to complete the package.

In your professional opinion, would a marketing plan such as this work?

By the way I once voiced concerns to the car salesman about the advertising which seemed to me to be downgrading Curves and he became extremely defensive.

<u>sean</u>

Oct 12, 2007 at 2:19 pm

...I once voiced concerns to the car salesman about the advertising which seemed to me to be downgrading Curves and he became extremely defensive.

(I'm sure he'll feel warm & fuzzy reading my last comment.) Could you imagine Mercedes running ads saying how much better their spark plugs are than BMW's? Not a chance. They're classy enough not to whine about a competitor, smart enough not to use logic in an emotional sale, and savvy enough to know the difference between "features" and "benefits." If a woman feels that you can make her look better, feel better, live longer, be happier and have more energy, why wouldn't she give your club a try? And if you really provide those benefits, why would she ever quit?

A book, show, etc. might be a great idea if there were thousands of units. I'd rather have the name, address and phone number of every woman within 3-5 miles of the club, and a cost-effective way to communicate with them *directly* on a regular basis. (Also, a powerful retention strategy and strong referral program.)

Why pay to broadcast to an entire tv market when 98% of the viewers aren't potential prospects?

<u>sean</u>

Oct 12, 2007 at 4:04 pm

Here's an interesting story about the franchisor of a celebrated "hot new franchise" whose franchisees were failing left and right. He (allegedly) gave them each a chance to buy their way out of their Franchise Agreements for \$2K apiece and operate as independents. <u>Cuts Fitness Franchisees "Bought Their Way Out," Ex-Owner Claims</u>

Sunshine

Oct 14, 2007 at 4:40 pm

Sean,

You have made several good points here and offered a lot of very good advice. If someone wanted to hire you as a marketing consultant..say for a period of a year....for a fitness franchise that gets no support from their Corp. office, how would one do that? How can someone contact you outside of this forum?

<u>sean</u>
 <u>Oct 15, 2007 at 6:27 am</u>

Sunshine: my email is info[at sign]ideafarm.net. Phone: 717-656-2107 x 24. website: <u>http://www.ideafarm.net</u>.

Linda

Oct 16, 2007 at 4:26 pm

All quiet on the Western Front....actually, north, south and east also. Since Tom Gergley sent out his accusatory email about the AAFD to the franchisees, I believe most feel threatened to speak with anyone for fear of repercussions. (I thought free speech still existed) There were some franchisees who had no idea of the problems surrounding Butterfly Life......but they do now thanks to his letter. He definitely opened Pandoras Box. There are a few coming forward (and I'm sure more will follow)They have been enlightened by the history surrounding BFL and now feel they can share their frustrations with others who have gone before them. Titanic - maybe Captain Mark decided "not to go down" with the ship......hopefully there are life rafts for everyone else. Oh yes.....we have yet to hear the stats from the "profitable" clubs who are able to support their families......share your wisdom.....many could use it. I know I bought this franchise to make a living, not to drown in debt.....I guess it IS the Titanic!

Sunshine

Oct 16, 2007 at 4:38 pm

Linda,

Some are still in the dark because not EVERY franchise owner received that letter. Wonder why that is? Could it be because Corp.picked who got what just like they picked whose "positive and successful stories" to post. Wouldn't it be nice if they(Corp.) are forced to be totally honest with everyone!

Eliza Jackson

Oct 16, 2007 at 11:51 pm

I can not believe all the negative stories you all are writing about the Butterfly Life franchise. Some of you must be the one calling me frequently at my club to solicit for negative stories about Butterfly Life corporation ?? You totally disrespected my wishes of not to be called and not to receive any e mails from you guys.

I have to write my story.

I purchased my Butterfly Life club from the initial owner (owned other business as well) who was struggling with low membership and ready to close the door. She had several part time employees including teenagers. I had to let all those employees go and started over. I totally turned around my club within 7 months and now have over 250 very happy members and still going strong. I am about to sign up 38 members from my school district tomorrow. I am totally devoted my time to Butterfly Life with one part time employee. I do not own other business like some of you did, I do not have many employees like some of you did, and the list goes on Because I didn't have any previous business experience, I had to follow the Butterfly Life District Manager, Jeanne Spatola's advice and suggestions in marketing and member retention strategies. San Ramon, Butterfly Life corporation gave me all the support I need and in timely manner. Cathy Galli, Director of Franchise, helped me and supported me so much until I opened the door.

Yes, I volunteered to write my very positive success story to Tom Gergley, Chairman of Butterfly Life, because of people like you keep soliciting for negative story and harrassing me through telephone and e mail. Nobody forced me to write positive letter!! I volunteered.

I am sorry for your financial loss you had to endure but there are many of us doing well and happy being a Butterfly Life club owner. I am quite tired of getting phone calls from you guys and listening to all the negativity.

Can you LEAVE US ALONE? We are happy being a Butterfly Life club owners!!!!

• FYI

Oct 17, 2007 at 7:46 am

Eliza, you never said if you where making a living for your family. You just said you were happy. Money must not be that important to you. What does you spouse do for a living?

Pam

Oct 17, 2007 at 11:38 am

Eliza,

Not sure if you are keeping up with this blog....from what you said I would think not. However, I'm going to write to you anyway. First of all, I truly do not believe that anyone wanted to get "negatives" from you....there are many of us struggling and are looking for the successful club owners to tell us their stories so that it may help them (us) get the ball rolling and become successful as well. I don't know where your club is so I can't tell if 250 members would be enough to even be what we would consider successful.....we are in CA and need about 400 -450 members at least. I'm sorry that you felt that you were being harassed, I don't believe that was the intent.

Shawna

Oct 17, 2007 at 11:46 am

If one of your own peers gets upset at you for wanting help, I can see why Corporate is just as unsupportive!

Sunshine

Oct 17, 2007 at 2:48 pm

Eliza,

We are happy that you are doing so well and are happy. It is the EXACT same thing that all club owners wanted for themselves. If you are so busy and successful with your club all by yourself, then tell the rest here how you find the time to post to a blog and look down at those posting here when you do NOT know the whole story. Was it a club owner that called you looking for "negative remarks"...or was it a call from the Area Reps that called club owners pretending to be someone else. They wanted to know all about the support you receive from Corp. or don't receive. BTW....you are one of the lucky ones...first you are in Corp. back yard not 2500 miles away, you have by far the best District Manager that BFL Corp. has at this time and thankfully for her she only has part of Calif. But there are many other club owners that went 2-3-4 months before they ever saw any one from Corp. in their club. There were many that got great press releases..some got none...there are many that get great support....some get none...... and the story goes on. There are so many happy "club" owners...that are just as disappointed. Come back a year from now and tell the others that you have made back all the money you invested and are turning a profit every month and we will stand up and cheer for you! There is NOT one person that has posted here hoping that every one will fail...it is quite the opposite...but many do not live in a dream world either. Some of us have to live and except reality for just what it is.

No one here is mad because you are doing a great job..so why are you mad because other people have a place to vent and share their experiences.....good, bad or ugly?

Eliza Jackson

Oct 17, 2007 at 6:37 pm

This would be my last time posting my response to all your non productive group of blog people. To FYI, yes I am starting to make profit since last month. I adjusted my membership rate based on my community norm since I took over.

My members are supporting me all the way. I just started our 3rd Weight Loss Express classes 2 times a day because of my community interest. By the way, I brought total 42 signed membership agreement from my school district today after 1hr presentation. Tomorrow lunch hour, I am heading to one of hospital to market this wonderful product you guys's been complaing about.

To Pam, thank you for understanding my frustration. I just want to be left alone by your group and AAFD(?). Your group just assumes I am telling you the lie when I tell you I am very happy with Butterfly Life corporation.

To sunshine, you (you know whom I am referring to) insisted for me to check this website so I would feel like I am a failure. I wrote my story here last night because I felt the obligation to correct your lies for many of us do not wish to be contacted by your people nor AAFD. Example, you listed my club as one of failed club in your list but I am alive and well. By the way, sunshine, I do not live in dream world. I am very real, using my common sense, work very hard and creative in many ways with Butterfly Life.

I really hope you all would find some peace in you!! Good Luck to you all since I would not check in to this website any more.

Pam

Oct 17, 2007 at 7:02 pm

Once again...Eliza, you may not get this but...here goes anyway......we are NOT complaining about the product....we all LOVE the product ~~~ it's the fact that our clubs are not selling memberships that we are complaining about. You bought your club up and ready to go you didn't go through the anguish of setting it up with no help.....maybe you would feel a bit differently if you had to invest in the set up and then have little in return ~~~ it's a whole different scenario for those of us that did. We ALL want to be successful.....no matter what we try it's not happening....for those of you that it's happening for...all we ask is for you to tell us what you did to make it work.

Butt. Ugly

Oct 17, 2007 at 9:51 pm

Eliza:

Congratulations on your success. It is heartening to hear some positive news. I appreciate your sharing the details, and wish you continued success.

Question: did the previous owner of your club recover her full investment? My guess would be "no." That would be why that location should be included on the "failed" list because for the first owner it was a failure. Remember, you came in (I assume) at a lower investment than you would had you started from scratch, so profitability will come easier for you than some of us others.

I have discovered that there's a practice called "churning" in franchising. The initial owners can't

make it work with their costs so they sell at a steep discount. Sometimes the second owners have to also. Eventually it goes so cheap someone can make it profitable, but the loss has already been absorbed by the first two owners who got hurt. So two families lost their investments, but it doesn't ever show up in disclosure as a closed franchise, just a harmless resale.

The fact that you were able to get in cheap through somebody else's misfortune takes a little of the shine off your halo, at least for me. Sorry people have imposed by honestly asking those who are succeeding to lend them a hand, which they thought they'd get from corp. or ARs. You obviously can't lend a hand, since you need both to keep patting yourself on the back for making your distress sale club profitable.

Not reading this blog won't make the problem go away, and neither will pretending struggling owners are just lazy slackers or that a problem doesn't exist. This list says otherwise: http://www.franchisepick.com/will-the-real-butterfly-life-franchise-please-wave-its-wings/#comment-12393

 Fiscal Fitness Proving Elusive for 30 Minute Workout Franchise Owners at PIGASYS Oct 18, 2007 at 10:40 am

[...] IS BUTTERFLY LIFE A GREAT FITNESS FRANCHISE? [...]

Hotel California

Oct 21, 2007 at 11:17 pm

Need to update. from Oct 3, 2007 Glendora,Ca. out of business sign up, closing. Claremont, Fla. Closing Foster City Ca. closing

We hear that there are an unbelieveable number of profitable franchisees out there. Tell your story I'd love to have another list of profitable making back my investment franchisees contrary to the criticism here. Send your name and location We need an open date and current status and we will verify and post. We would love to hear your emotional story but this list is the financial facts. Profitable or not and did you just solely go by the model. We know of clubs that are breakeven but stepped way outside the box to get there. And we applaud their success. They had the smarts to take matters in their own hands to make their situation work regardless of the safe line.

So Butt Believer give me your location open/re-purchase date and we will go from there. I wish we all could have succeeded because the product could have been a viable one. We believed and worked for something that was opposite our corporate objective. Let me hear from you successful franchisees. We will verify all stories. "The truth will set you free"

Butt. Ugiy

Oct 22, 2007 at 2:20 am

BL must be good. Look at all these new openings! September 18, 2007 Brooksville, FL http://www.thefranchisemall.com/news/articles/19601-0.htm

October 15, 2007 Palm Desert, CA http://www.franchising.com/butterflylife/press/2058/

October 15, 2007 Cypress, TX http://www.franchising.com/butterflylife/press/2073/

October 22, 2007 Chambersburg, PA

http://www.franchising.com/butterflylife/press/2125/

Interesting that the press releases are identical & are posted to franchise sales sites. No mention of the franchise locations, addresses, phone numbers, or any info about the owners. Hmmm... wonder if they're designed to promote the club's membership or sell franchises?

Linda

Oct 22, 2007 at 2:48 pm

To all who want successful franchises - We would love to hear all the positive stories of profitability —but let me be clear that profitability means that you can pay yourself and support yourself from the fruits of your labor. We all love our members and the BFL concept, as we have stressed a number of times!!!! The problem is that for the vast majority of franchise owners, the profitability issue is not even close to happening. For many many franchisees, the results of their investments has taken them close to or into bankruptcy. Clearly, for the majority, the model does not work and it needs fixing. For some, this means better branding, corporate support, and a re-evaluation of the entire structure. For others, the only thing that can help is for BFL corporate to understand the position their actions have placed many franchisees in, and to take responsibility for what they have done. But in any case, BFL corporate needs to provide a change, leadership, and real open discussion (enough of divide and conquer by corporate) resulting in actions between franchisees and franchisor, to turn this model around... and they need to do it quickly.

To make sure that the above happens fairly and expeditiously with more than just words, but with actions, is the goal of the Butterfly Life Chapter of the AAFD.

The more membership and support that can be gathered in this effort, the better. Our goal is to begin that process one way or the other, very quickly. To participate in that process, you must be a part of the organization. Anyone who is not a participant at that time will be on their own......good luck to all of you.

Butt. Ugly

Oct 23, 2007 at 10:24 am

Another announcement for Tulsa. Are all these clubs really opening now, or are they flooding out press releases in response to this discuss? Seems like an Internet pr blitz. http://www.franchising.com/butterflylife/press/2153/?ref=rss

susan

Oct 26, 2007 at 8:07 am

Eliza - Come on, share your success and how you're doing it with all your fellow franchisees....that's the least you could do!

Observer

Oct 27, 2007 at 1:16 pm

As an outside observer, I have to say that I can see why people wouldn't want to post anything positive. Every time someone does, you failed franchisees try to invalidate what they say or blatantly attack them like a bunch for vultures. Why don't you be responsible for your failure

and spend your time and energy making back what you lost instead of stewing and wasting your life being resentful? There are other streams of income and more productive ways to spend your time. And as for the person who listed all of the clubs closing and selling...that is really a lame excuse for listing Eliza's club as a failure just because it was resold. Apparently it is not a failure so you are being misleading. And isn't that kind of inconsiderate of the clubs you listed who are selling? Maybe they want to keep it confidential from their members, and you have no right to list their clubs at this website (unless they agreed to it which I doubt). And just because they are selling does not mean it's because they are failing. It's the crab theory at work. You put a bunch of crabs in a box, and if one gets close to climbing out, the others bring it down. You are a bunch of crabs who are just hurting existing franchisees and that is really sad. If you failed, then give advice such as "I failed because my rent was way too high. Don't make the same mistake I did!" Don't act like success is not a possibility at all, try to tear down everyone with you and kill the enthusiasm of new franchisees who can succeed if they don't allow you all to affect them.

Steamed Crab

Oct 27, 2007 at 2:32 pm

Outside Observer: You sure are steamed up for an "Outside" Observer. With logic like yours, you must be Corporate.

You said "...that is really a lame excuse for listing Eliza's club as a failure just because it was resold. Apparently it is not a failure so you are being misleading."

You're right. Let's list it as a failure because Eliza said: "I purchased my Butterfly Life club from the initial owner... who was struggling with low membership and ready to close the door."

You said: "Maybe they want to keep it confidential... just because they are selling does not mean it's because they are failing."

No, I'm sure they're selling because they made a fortune and don't want to be greedy. But I do like your analogy of the franchisees as crabs clawing over each other to get out of the box. I get your message: keep still and maybe you can get out of the damn box before the new butterflies realize they're crabs.

Why don't you tell us what Corp. is doing to fix the branding problem? Producing another TV show you can't afford to air? Hiring some more relatives?

Fitness123

Oct 27, 2007 at 5:53 pm

Never blooged before...but couldn't help myself tonight. Those of you that are wondering if you will ever get your money from those BFL guys...forget about it! I worked for the company for a long time...back when they were running women's clubs. Mark Golob will never admit that he doesn't know anything about marketing. He is a control freak who couldn't run a lemonade stand. Tom Gergley...for the record...is a good guy and an excellent club operator. Your issues regarding Butterfly Life's inability to be branded in the marketplace will never be solved because Mark will never admit that he is wrong about what it takes to market women's clubs.TV shows and celebrities are not going to help BFL. Yes...you have to grass roots market in your clubs BUT marketing is driven by momentum. As franchisees, you should expect help from corporate in terms of generating momentum.

Exact; y how many clubs have closed? I jumped ship a few years back...just as they were launching the BFL concept. Have not heard anything about them in my area.

By the way...to all of you who have lost your livelihood, I am truly sorry. For your sake, I hope you can make these guys be accountible.

Titanic

Oct 27, 2007 at 7:25 pm

I just received an email from another franchisee who just closed her doors this week - guess what? Corporate threatened her not to talk or join to the AAFD.

I thought this was America - a free country - where you can join any association you wish. I for one am sick of being pushed around by corporate - so are dozens of others and we have more than the AAFD in our corner - I for one can't hardly wait to push back.

• Fitness123

<u>Oct 27, 2007 at 7:58 pm</u>

Titanic...looking at a blog from Hotel CA...it looks like at least 50 or more facilities have closed. What exactly has been done by the AAFD?

• <u>sean</u>

Oct 27, 2007 at 8:12 pm

Which location(s) have recently closed? Do you know of more that aren't on Hotel CAs list?

Steamed Crab

Oct 27, 2007 at 8:55 pm

"BUTTERFLY LIFE - PARKWOOD, a health spa located at 5500 North Tarrant Parkway, Suite 124, Keller, Texas, will close on September 15, 2007."

http://www.sos.state.tx.us/statdoc/healthspas/091407closing.shtml

"Due to financial difficulties, Butterfly Life of Ashburn has had to close as of February 28th, 2007."

http://www.butterflylifeofashburn.com/

• Fitness123

Oct 28, 2007 at 7:13 am

I have to say I have been doing nothing but thinking about how how wrong this situation is for so many of you that invested in this brand and spent your hard earned money thinking that this was a good product and a good company.One of the reasons I left the company when I did, is that it appeared that the only focus was on selling franchises to ANYONE who could pay the steep franchise fee. It was clear back then, that yes...these clubs could be profitable however a lot of things would have to be present in order for that to happen. The truth is that you are all correct...it is an excellent product and it should have been able to go up against concepts like Curves and Contours and perform well. The problem is the overall financial structure of the project for the franchisees. As a franchisee, your biggest expenses with a club like this will be your rent, marketing and your payroll. It sounds like most of you eliminated the payroll issue by working tirelessly to market, service and sell memberships in your facility. That leaves your rent and marketing. If corporate is not going to assist with the marketing, then you as a franchisee need to be able to market any way that you need to including using your own vendors, to keep it cost effective. (ADVO burns out very quickly by the way-you will get a few good pops in terms of lead traffic but then it has a very poor return in terms of cost per lead). With the way this model is structured AND the fact that the marketplace is flooded with clubs that may offer a similiar product with stronger branding, it just is not realistic to think that those little clubs would easily sell 500 memberships which would allow you to pay the bills and pay yourselves. For those of you that still have clubs: if you need help, I am avaialabe and can probably help to some degree. I will gladly offer my services with respect marketing, sales training, club operations etc. and will start the process of helping you free of charge. I feel badly for you all. Unfortunately, I have way too much experience with this company. The signs are all there...the layoffs at corporate, the empty promises, the over-sell and under-deliver. Believe me when I tell you, these guys will spend every penny that business brings inyour money is long gone. In any other company, you might find a group of people that will take feedback from their customers (that would be YOU...the franchisees) and start making some adjustments. Unfortunately, that is not their management style. They are not going to change what they do because they don't believe that it is their responsibility to help you make your business successful. They need to be stopped from selling more franchises and be accountible for the ones they sold by misrepresenting the expense and performance aspects of the concept. Those of you that still have clubs...you can hang in there, get some help and see if things will turn around OR you can cut your losses now before your own personal financial situations become worse. I was there during the Linda Evans Fitness Centers days...those clubs could have been saved...no one cared enough to do it...it was easier to bail and start over with something new.

Titanic

Oct 29, 2007 at 9:25 am

Franchise123,

Actually the club that just closed is not listed on any list yet. Corp. doesn't know it closed yet. She opened nearly a year ago and we'll be able to tell you more after her information is known.

We really appreciate your information. If you

think you wish to share more information, you can email the Chairman of the AAFD at rpurvin@aafd.org and he can put you in touch

with out trustees. Also, we would like to share your offer with clubs that are still open so if you give it to him (Bob Purvin), we can share it with them. We truely want to do anything we can to make them successful. THANK YOU!

Linda

Oct 29, 2007 at 5:56 pm

Fitness123 - I would love to get in contact with you. If possible, can you let Sean know what your contact information is and he can forward it to me. He has my permission to release my information to you if you request it. We have a lot to talk about. I am a former owner and will stop at nothing to get restitution for those who have lost so much. I have nothing to lose! Thanks so much for your input, unfortunately, you verified what so many of us already knew but didn't want to believe.

• Fitness123

Nov 3, 2007 at 12:05 pm

Linda

I have been in touch with Sean and requested your contact information. Once I receive it, I will reach out to you directly.

sunshine

Nov 3, 2007 at 4:41 pm

Fitness123

I believe more club owners would reach out for your(or just about anyone's at this point) help and assistance if they had some way of knowing that you are NOT corp. Several bloggers know that BFL Corp. is monitoring this site daily. There are some club owners that have been threatened (recently) about blogging negative remarks, about being any part of the AAFD. How are the franchisee's suppose to operate their clubs with a smile on their face and a desire to help so many women, when they feel the ax is about to fall upon them? Will BFL "cut and run" with everyone's (AR and franchisee's) money? My advice......don't blink your eyes!

Fitness123

Nov 4, 2007 at 4:40 pm

Sunshine,

At this point, I am not sure what I can do to prove that I am not part of corporate. I left BL a few years ago and now run my own company. It has been a grueling, at times very frustrating and now extremely rewarding experience...exactly what you all were chasing when you first purchased your franchise.

I left BL because I wanted the opportunity to create something special and make a difference in a community and the industry. Sean knows I am not part of "BL corp" as we have been in touch.

My offer to help is on the table. I am an experienced health club marketer and have a strong background in club operations, member billing and collections (I can trouble-shoot the RCM/Checkfree process pretty well), fitness and personal training. I can design collateral for you, develop some effective grass roots marketing campaigns and give you help with developing some ancillary revenue streams that could boost your revenue. BL corp may not approve of me helping you. I am not anxious to tangle with Tom and Mark but I couldn't just sit back and not do anything to help. At this point, all I can offer is my industry experience and my time and I am willing to do it for FREE...at least for now.

"Will BL cut and run with everyone's money?"

I have no idea. Like you, all I can do is speculate. I have been out of the BL loop for a very long time and only now know what I do from this web site. Look at the company's history with the Linda Evans club sales and closures, their franchise sales practices and whether have kept the promises they have made to you and others, verbal or otherwise. That alone will speak volumes.

To all of the Butterfly Life Franchisees who do want some help, drop me a blog. I'll reach out to you through Sean.

And yes...since I started posting on this blog, I am sleeping with one eye open:)

Stay Tuned

Nov 26, 2007 at 8:59 am

After the Mountain and Mohamed meeting we have learned ALOT! Oh my all of you BFL franchisees out there, if you are not successful it is because you are all bad business managers. There is nothing wrong with the model!! Given that the updated list of closures etc. is coming. There are alot of bad business managers out there!! Or could it be no qualifying , if your check clears your in ,but Corporate forgot to mention on your own.

We still challenge BFL Corporate. Where are the successful clubs who followed the model per financial, marketing and advertising? What percentage of your 90?? open clubs falls into that category?

To any and all who bought, opened and failed, opened and struggling, bought never opened(we know there are many), about to those looking/thinking of buying. Contact the Butterfly Life Chapter of the AAFD for the latest update. <u>http://www.aafd.org</u>

If you believe the MO of this company has changed think again. Same con that has been running since Woman's Workout World and Weight Loss Centers. We have inside knowledge and facts. Coming soon the latest on the California Dept. of Corporations complaint filing! More to come! The mystery of the former? CEO

in the mix

Nov 28, 2007 at 8:48 am

What has become clear over and over again in actions and words, the problem with Butterfly Life Corporate is their inability to focus on the most critical issues.... the success of franchisees. And when the franchisee fails as have so many, the blame is squarely placed on the shoulders of the franchisee and their inability to run a business. The words can vary, but inevitably they include phrases such as ... you are the only franchisee having these types of problems. Are these new behaviors for the BFL. No, as can be verified by the following.

"Golob and Gergley denied the corporation is culpable for any of the franchise failures and say they have a great business model for the right kind of owner. "Franchising is not for everybody," Golob said. "When franchisees don't make it, they always blame the franchiser." The fitness business is highly competitive, Gergley said. (later telling me that not all owners are ready to commit the time and energy required). ORANGE COUNTY REGISTER, June 16, 2005, by Frank Mickadeit

And yet, two months earlier, the story was quite different.

"For the franchise owner, Golob believes that Butterfly Life's most attractive features are its affordability, the fact that no building permit is required because it's all built out of fixtures, and the ease in which it can be run.

The franchise fee starts at \$29,500 plus build out costs, which usually run between \$15,000 to \$20,000.

"Our experts help the franchise owners in every aspect of the business so they literally wouldn't even need a high school education to run it," Golob said. "They could own a franchise for a price less than it costs to buy a Ford Blazer." SAN MATEO COUNTY TIMES, Saturday April 30, 2005 by David Morrill, Business Writer.

And the beat goes on. Who gets hurt? Franchisees and area reps get hammered. But not corporate...the guys who with more than "100 years of proven success in the fitness industry", and who came up with this wonderful business model that has proven so very successful.

Titanic Nov 28, 2007 at 11:01 am

Dear Stay Tuned,

I'm waiting impatiently to see the Closure List and the Update on the Dept. of Corporation Filing!

In the 2 years I have been involved with BFL, I have met and talked to many club owners. Many have been very successful business owners, others have had very interesting professional careers, myself included. I for one take offense to their allegations that we are bad business managers – we followed their lead (their model), Could there be something wrong with the model? The training? The Brand?

A while back, Sean wrote "...If I came in to Butterfly Life as a marketing consultant, my first suspicion would be that neither the franchisor nor most franchisees have a clue about how to market their business. The first clue is the name, which is a marketing albatross..."

I had a booth at no less than 8 health fairs and other events and the question I heard most is "what is Butterfly Life?". The name did nothing to tell the potential member what we even were about. Curves, Contours Express, Lady Fitness, Fitness 19 They all tell you something about your body or fitness.

Sean also said "Often, the entrepreneurs who start companies and the sales people who sell opportunities often have the "It's only business" viewpoint. To many of them, this is just a game, with winners and losers... nothing personal. To most franchisees, it couldn't be more personal: Their savings, credit rating, credibility, self-esteem, marriages and happiness are on the line. You will survive and emerge stronger... karma will prevail."

I do believe in Karma, Sean and I believe it will prevail!

The AAFD really opened my eyes and gave me validity! I Thank God for the AAFD! BFL loves to keep club owners in the dark as to how other clubs are doing. In training meetings I've attended, clubs that had received accolades for being the Star club for successful membership sales are on the closed list Hotel California posted. How do you go from being the star club to being the closed club? I think there is a lot of wool being pulled over club owner's eyes! I can't wait to hear the mystery of the missing CEO! I'm also waiting impatiently to see the updated Closure List and the update on the Dept. of Corporation Filing!

Ouch....That hurts!

Nov 28, 2007 at 11:18 pm

Question:

What's the average life span of a butterfly?

Answer:

The life span of the adult Monarch varies, depending on the season in which it emerged from the pupa and whether or not it belongs to a migratory group of Monarchs. Adults that emerged in early summer have the shortest life spans and live for about two to five weeks. Those that emerged in late summer survive over the winter months. The migratory Monarchs, which emerge from the pupa in late summer and then migrate south, live a much longer life, about 8-9 months.

Lesson:

Don't be a butterfly!

Moral to the story:

People at BFL corporate have no moral consciousness.

Bonus mystery question:

What's Mark Golob CEO?

Answer:

Just sold his home in Orinda for close to \$2 Million and now building his retirement home on 40 acres in Ukiah with all the dead and/or dying butterflies' money.

• Fitness 123

Nov 29, 2007 at 9:26 am

The Mark Golob I know would NEVER leave voluntarily...way too much ego there. Someone forced him out and that means that if you look under the rug...there is going to be something REALLY BIG under there. How does Mark Mastrov figure in all of this? Until recently the trade rags have him as one of the founders of Butterfly Life. The real question is....who forced Mark Golob out of the company and why? There is definitely a few skeletons in that closet!!!!

• Insider

Nov 29, 2007 at 3:40 pm

Well.....with Mark finally getting caught "allegedly" sexually harrassing one of his employees would explain that question. We figured that after Tom and Mark's big blow out in the office, that Tom probably bought him out with the company's cash and/or shares.

The skeletons are starting to come alive and talk......

Sherleylock Holmes

Nov 29, 2007 at 7:58 pm

Watch out!! Deception is rampant among many associated with Flies in the Butter!! Bizjournal's web site sports an advertisement for Flies in the Butter franchise sales that features a "franchise owner testimonial" from three people who say, "The thing which impressed us most was that the system itself has been so well prepared that it truly is a virtually turn-key process."

What the ad doesn't disclose is that the three people featured are also F'in the Butter area reps whose motive is to sell franchises. A visit to the F' in the Butter web site reveals that the three own & operate a club in the Pacific Northwest that features its own specific web site that today, two days before December, advertises October promotions and an August class schedule (Oops! Seems someone forgot to "turn the key" on the web site updates there ... or maybe the owners are so busy signing up new members that they don't need "no stinkin" current promotions or current class schedules listed on their web site ... or maybe they know the truth: No matter how much time & effort they spend to acquire new members, their club will never sustain itself because Flies in the Butter is a loser).

So, the question is: After the "key is turned," then what happens? Does all the promised and insinuated success come to fruition? So many people are waiting to know the answer! Where is that "elusive butterfly" of success (apologies to Bob Lind & Glen Campbell - http://www.shalimar12.com/butterfly/butterfly.html)?

Is there anyone out there who can name one F' in the Butter club that is or was financially viable after following the "so well prepared" system and corporate model?? Anyone?? Anywhere?? Seems that "turn key" just might be the twisting of the proverbial "knife in the back."

• Titanic

Nov 30, 2007 at 12:06 am

Just incase you didn't read the "will the real BFL wave it's wings" blog, "Stay Tuned" posted the following and Ret

added a few too - OMG can you believe this list!

This is a tragedy - Each listing could mean another family or 2 in bankrupcy, retirement savings gone,

& I have heard many stories of failing health due to the

stress of failure. Please remember these people in your prayers!

Stay Tuned Writes: onNov 28, 2007 at 11:18 pm

The Department of Corporations complaint is allive and moving forward. Responses to the DOC's questions are in process as of this posting. They are very interested in the history of this franchise system

These closures are as we are aware 11/28/2007,

We know there are more coming.

Butterfly Life Franchise Closures

City/Open/Closed/Change Info.

ARIZONA

Glendale, AZ. 04/04-04/05 Corporate resale

Glendale, AZ Mesa, AZ 04/06-08/06 2nd owner

Mesa, AZ 04/06-08

CALIFORNIA

Antioch,CA. never opened (pd \$30K) Brentwood, CA. 2/04 - 03/05 Clayton, CA. pd. \$10k never opened, Corporate resold territoryy Cameron Park, CA. 11/04- now debranded Clovis, CA. 08/06-03/07 (3purchased 2 never opened) Clovis, CA .(North) (3purchased 2 never opened) Cupertino, CA (Pd \$10K - never opened) Fairfield, CA 6/04 - 12/05 Foster City Ca. Open 2005? Closing 11/30/07 (3purchased 2 never opened) Fremont, CA. Spring/05-Summer/07 Corporate resale Fresno, CA (3purchased 2 never opened) Glendora, CA.12/04-02/05(1ST Owner pd corporate \$50K) sold- 2nd owner out of business sign up, closing. Hemet, CA - 4/07 never opened Hunnington Beach, CA. 11/04-06/05 Jackson, CA. late 06-05/07, club sat unmaned for 2-3 monthss, supposed corp. buyer Lincoln, CA. 02/07-08/07, Corporate resale, due to massive financial losses of 1st owner Martinez, CA. (pd corporate \$10K) never opened Murrieta, CA- 4/07 -never opened Pacifica, CA. Spring 05-Spring 07 (indep. sale) Roseville, CA - Opened 7/04 closed 9/04 9 (NINE!) Sacramento, CA - never opened 2004 (pd \$125K) San Francisco, CA (Marina District) 1/06-03/06 San francisco, CA. (Downtown) still open but corporate removed from website !? San Jose, CA. pd \$50K never opened San Leandro, CA. Summer 04 - 4/06 San Mateo, CA. Fall2006/closing Sausilito, CA. 10/05-05/07 San Jose, CA. pd \$30k never opened Temecula - April 07 - never opened Vacaville,CA. 06/04-01/06 Walnut Creek, CA (Treat Blvd) (purchased from Linda Evans) 3/05 - debranded 9/07 Walnut Creek, CA (Ygnacio Valley Rd), sold never break even Walnut Creek, CA. 07/04-06/05 sold 06/05-07/06 2nd owner Woodland, CA. Spring 2004/sold 12/05(corporate resale) 12/05-08/07 2nd owner Closed Woodland Hills, CA. 10/04-04/05

COLORADO

Boulder, CO. 06/06-08/06

CONNETICUT

Groton, CT. Spring 05-selling Groton, CT closed 10/07, corporate star of the program Norwich,CT. Early 06 - 09/07 Southington, CT. closed 09/07

FLORIDA

Claremont, FL Closing

GEORGIA

Atlanta, Ga. Fall/05-Early 06 Atlanta, GA - Pd \$10K never opened Atlanta, Ga. Fall/05-05/07 Corporate resale Atlanta/Roswell/Alpharetta, Ga. 2/ 04 - 11/05 (3 clubs) Buford, Ga. whose club closed 10/07 Lithonia, Ga. 05 pd. \$10k never opened or rec'vd UFOC Roswell, GA. 04 Pd. \$10k never opened

IDAHO

Bosie, ID. Pd. never opened Meridan, ID Fall 05-07/07 Meridan, ID Pd never opened Meridan, ID Pd never opened

IOWA

Johnston, IA 1-07 - 10/07

NEW JERSEY

Audubon, NJ opened 11/05 – closed 07 Blackwood, NJ - Opened Aug 06 - Closing soon Cherry Hill, NJ - Pd. \$10K never opened Cherry Hill, NJ 7/06 - closed 5/07 Glendora/Blackwood - Pd. \$10K never opened Howell, NJ Pd. \$10K never opened

NORTH CAROLINA

Cary,NC. Pd \$30k never opened Cary, NC. 12/06-sold 09/07 Raleigh, NC. Pd. \$10K never opened

OREGON Medford, OR. 04/06-03/07

PENNSYLVANIA Palmerton, PA 5/06 – closed 4/07 West Hazelton, PA 11/05, sold 9/07 (for a song)

RHODE ISLAND Westerley, Rhode Island 09/07

TEXAS

Arlington, TX. selling Irving, TX. Spring 06-Summer06 Keller, TX 04/07-09/07 Corporate resale -(because of lease)

VIRGINIA Ashbun, VA. 11/06-02/07

WASHINGTON LONGVIEW, WA - Opened Dec 06 - Closing soon

Sunshine

Dec 1, 2007 at 9:54 pm

OMG.......where are all the dedicated and loyal club owners that were here just a couple of weeks ago raising hell with the "few disgruntal franchisees that are now being referred to as "bad business managers". Have ya'll nothing to add to this blog? Can the 1(one) profitable club owner please come forward? My mistake, Corp. never could produce that 1 (one) club. Could some of those dedicated franchisee's have changed their attitude, could they be amoung the 30+ additional calls the AAFD has received since the mediation(not a total waste of time!) with Corp. Let me see......does this mean some people have FINALLY opened their eyes and ears? Maybe they called their accountant and got their P/L's......maybe they have nothing more to say here because they are all busy trying to find an attorney. The best as already been retained....don't miss the boat again...call the AAFD today because tomorrow or next week could be too late. Get on board before all the "life" vest are gone. And if you still need more proof......WELL CHECK BACK IN DAILY AS THE LIST OF CLOSING/DEBRANDING CLUBS GROWS. THAT LIST IS ALREADY LONGER THAN THE ONE FOR OPEN CLUBS!

Feel free to add to the list....

Dec 2, 2007 at 1:05 pm

CALIFORNIA

Foster City, CA–Opened 2005–NOW CLOSED San Francisco, CA–Opened 11/07–closing soon San Bruno, CA–paid–never opened San Mateo, CA–paid–never opened Burlingame, CA–paid–never opened Menlo Park, CA–paid–never opened San Jose, CA–paid–never opened Richmond, CA–paid–never opened

As pressure continues to mount on the existing open clubs from bleeding every month, jumping ship and de branding may be your only hope. With this negative association with the name Butterfly, it would be wise to change your name.

With the advent of the Area Rep "confidential" conference call on last Thursday, I am anticipating more "panic mode" throughout the BFL system to continue and worsen. An implosion is immanent as the "deep throats" keep coming forward and have communicated their willingness to testify against corporate.

I would like to publicly thank all those that have come forward and identified themselves to the AAFD. Because of your integrity and ability to stand up, there will be countless other women that will be saved from the ruthless and greedy leadership that control BFL. Among the ARs that have come forward, joining the AAFD will probably be the only way to get back your or your investor's \$\$.

God bless the souls that remain loyal to BFL.

Anonymous

Mothra

Dec 2, 2007 at 10:24 pm

Dear Miss Holmes,

It appears that the dissembling Flies in the Butter corporate jackals (and their "in house" sycophants) are without redemption, so revealed during the recent attempt by the very well organized group of Anti-Flies in the Butter warriors who sought restitution for the damage caused to them by the Lords of the Flies and their ilk. So, it appears to be inevitable that "plaintiffs" and "defendants" are the roles to come because honest business practices have been transmogrified into swindles by the unscrupulous crooks and their toadies. Area Reps, heed! When the facts of the case are officially on record and published, not only is it going to be very difficult for you to sell any franchises (except on Mars, maybe!!), but you will no longer be able to ignore the 900 pound gorilla in the room ... and that 900 pound gorilla is really loud & really angry!!! Flies in the Butt area reps are now nothing more than henchmen for a bunch of racketeers. The sales pitch you've memorized by rote can now be distilled for truth through the filter of documented facts. If you continue to lie, even one scintilla, about the merits of owning a Flies in the Butter franchise (I can't think of one, can you?), you'll be named, you'll be liable. And you already know in your hearts and minds that if you tell the truth about owning an F in the Butt franchise, you couldn't sell a single one, not even on Mars. And the admonition applies to those current owners who are desperate to sell their failing clubs and who resort to using the corporate mantra to put lipstick on the pig. Don't forget Koko's boyfriend!! He's not going away, not ever!!

So, which side of right and wrong do you want to be on?? We have a date with destiny. My friend, Miss Pedagogue, reminded me of something Atticus Finch said at the end of To Kill a Mockingbird:

"Our courts have their faults... but in this country our courts are the great levelers ..."

It Isn't Personal, Is It?

Dec 3, 2007 at 2:26 pm

It Isn't Personal, Is It?

"Offended" & Sean have admonished us contributors to "raise our standards" and "refrain from personal attacks." Our moderator acknowledges that the CEO's' status as public figures affords us more protection against libel suits but still advises us to "keep it professional." OK. For the sake of us all, I will try to ignore the fact that the thing that walks like a duck and quacks like a duck is really a duck. I will keep my comments focused on the CEO's and ALL the other PUBLIC figures who have CHOSEN to associate themselves with the subject corporation.

The following professional women have put their reputations on the line for the subject corporation; they are currently featured on the subject corporation's web site as contributors to the whole corporate "concept." They are the field experts, LifeVisionaries, who purport to have the best interests of women at their fore, to wit (ALL of the below biographical information is taken from the Butterfly Life web site):

Dr. E. Regina Widman, M.D.- Mill Valley, CA. Family medicine "with a 'special interest' in women's health and preventive health practices." She "fully understands the Butterfly Life member and their [sic] needs ..."

Dr. Diane G. Sanford, Ph.D. – St. Louis, MO. Psychologist, educator, and speaker "whose work in women's health psychology [and her contributions to improving women's health] has received national attention ... an internationally recognized expert [who] has appeared on numerous TV and radio shows ..."

Beth Thorpe, AICI, CIP – "Winning Ways Institute" Carlsbad, CA. " ... she empowers Butterfly Life members with her expertise and practical approach to inspire change ... [showing members] how to make the most of what [they've] got."

Cecily Guest – Fitness Expert [a google search reveals Ms. Guest's publicly published class schedule and location] "I love to teach members as well as new instructors. I really believe that everyone has room to grow and we can all learn to love ourselves in the process."

Lisa Bellini – Registered Dietitian and cardiovascular nutritionist. "Her expertise has contributed immeasurably to the success and growth of Butterfly Life. As an Advisory Board Member of Butterfly Life, Lisa is focusing her energy and influence to create diet program guidelines and instruction that truly fit into a woman's lifestyle and mindset."

Beth Shaw – Hermosa Beach, CA. Butterfly Life Yoga Advisor & Creator/Founder "YogaFit." "[She] believes in empowering others to take charge of their health and well-being ... [she is] a devoted community service advocate [who] hosts a variety of fundraisers at her YogaFit Studio [and has] created "Visionary Women In Fitness" a non –profit scholarship organization geared towards improving young women's lives. She is the publisher of Angles Magazine and donates to various animal and human rights causes."

If these six women have knowledge of the harm that has been done to dozens of women and their families by the direct and intentional actions of the corporation with whom they have aligned themselves and from whom they are most likely receiving monetary compensation, then their claims of dedication to the betterment of womankind are disingenuous at best, corrupt at worst. What good are their words of wisdom or prescriptions or recommendations to a group of people who have been stripped of their lifesavings, their retirement funds, their homes.

What can be said by the LifeVisionaries? "Be sure to have a nutritious breakfast before you meet with your bankruptcy attorney so that you won't dry heave when the news makes you throw up." "Be sure to wear pastels and muted make-up when you go to the welfare office to sign up for food stamps. Pastels evoke sympathy from public assistance bureaucrats." "Be sure to stretch your muscles for at least ten minutes before you begin lifting all that heavy furniture as you move it out of your home that the bank has forclosed."

Although the LifeVisionaries are not directly involved in the selling of franchises, the use of their credentials and their endorsements contribute to the perpetuation of the fraud. Do they carry vicarious liability?? That is a question for judge & jury. (Perhaps this question should be posed to the best attorney ever retained, aka "Fierro en Guerra"). However, what is not in question is the responsibility of reputable women everywhere to ensure that they, first, DO NO HARM! Oprah and Martha were smart enough to steer clear. Are the LifeVisionaries ethical enough to do the same or are they just charlatans at their cores?? Personal and professional integrity cannot be separated here. I urge you, my sisters, to do the right thing. Help heal & prevent the pain. Separate yourselves from the Butterfly Lie.

First Amendment, Anyone?

Dec 3, 2007 at 7:33 pm

Can you imagine how the Fly Girls would react if a whole bunch of people showed up in front of their professional offices or at one of their studios or at one of their fundraisers or in front of that Vivaldi hotel with signs & pamphlets that informed the public that the Fly Girls are advocates for a company that operates in contrast to their oaths & their own press releases & mission statements!! What if there were peaceful, lawful assemblies, protected by our

Constitutional First Amendment that exposed the truth about the company they supported!! Nothin' like a good ole fashioned noisy demonstration, an information picket line, to get the media's attention and expose blatant hypocrisy. WOW!! Maybe this is the answer to the unanswered question: Where's the branding we were all promised?? "Butterfly Life" might become a household name after all. There's nothing like a little negative publicity to put you on the map!!

I'm off to the garage to build & paint some signs ... maybe I can borrow some from the Writers' Guild ...

Vice Versa

Dec 3, 2007 at 8:37 pm

To: It Isn't Personal Is It?....You're a great read!!! Better than most novels......Never thought about those women who are the experts and life visionarieswe are suppose to rely on for great advice. I wonder if they are completely unaware of what is comingand possibly implicating them. Beth Shaw filed a lawsuit against BFL several years ago and they settled with her. It's listed in the UFOC only as a settled lawsuit. No details.....of course. This is their MO......so the public is kept in the dark regarding their reputations. Lisa Bellini is Tom Gergley's wife who is either kept in the dark or afraid she's going to lose her big house. It's amazing that the other experts are associating with BFL and putting their reputations on the line. Hopefully, they do the right thing and disassociate from BFL and come to the aid of their sisters who they believed they were helping. I am sure they are unaware that they are putting their personal and professional integrity on the line. Maybe the experts will do their homework and find that they are hurting the very people they are dedicated in helping. And the beat goes on......

Central California

<u>Dec 4, 2007 at 12:10 am</u>

I just spent the last hour or so reading all the information on this site regarding BFL–MY HEAD IS SPINNING. I had no idea that things were so "out of hand." I have a question regarding those of you who have debranded. How did you go about it? What were the ramifications from Corporate? Here is a little background on my situation. I just celebrated my first anniversary with 250 members. I need 100 more to break even. I experienced an extreme slow down in membership sales in the months of September, October, and November. I have noticed an increase in walk-ins and have sold three memberships so far in December. With that being said, I have been trying to get an answer from Corporate regarding their plans to "brand" in the new year. So far, I have not received a call back from anyone. I tried earlier this year to "step outside the box" in bringing in components that would aid in paying my \$6,000 a month rent and received a nasty letter from Corporate threatening to take away my franchise right if I did not comply. I complied and am now ready to make it happen with or without Corporate. With the exception of my brief "stepping out of the box" period, I have followed the BFL plan to the tee. Has anyone heard of any marketing plans funded by Corporate in place for the new year? I thank you in advance for any feedback you have that might help me.

Vice Versa

Dec 4, 2007 at 9:32 am

To: Central California - please contact the AAFD (www.aafd.org) and they will put you in contact with one of the members of the Butterfly Life Chapter. Believe me..... you're not alone! As everyone knows.....once they have your money you're on your own! Our membership is growing

by the day......there is strength in numbers

First Amendment Anyone - Great idea! Maybe we should get the names of the key employees out there also besides Tom Gergley and Mark Golob. I wonder how their community will see them once there names are published in various articles along side the two heads of Butterfly Lies? Inside information says they've known about this scam for many years.....as I recall, the law states you must disclose any problems surrounding the sale of a franchise.....or you will be held liable....!

Jackie

Dec 4, 2007 at 10:47 am

To: Central California

250 members after one year...Good for you!

I don't know of a single business that shows a profit

before one year, sometimes it takes two, so you're right on track. The aafd is not for you. Good luck and stay positive.

Jackie

Now duck & cover the negativity is going to fly.

Been Around

Dec 4, 2007 at 11:40 am

To Jackie;

Somehow the basic problems get lost in the shuffle. No one is arguing that it takes longer than 1 year to make a profit, get a business going etc. And yes Central California is definitely on the right track. But is she there because she gets any impact/return from being a BFL and the royalty fee or could she be Central California's Gym and be at the same place or better if she took that fee and put it towards a marketing effort.

The AAFD is the place for her if she remains a franchise. Especially in this system. And if it takes longer than 2-6 months for B/E and or profitability, more than 200 members, less that \$7200 per month rent, more than 2-3 months capital, why isn't the sales pitch geared toward garnering and qualifying sales that could lead to success. Or are pictures of lush green meadows shown and a swamp delivered. Was there fraud in the inducement? What does a ZEE get for that money going to Corporate's pocket?

Good job Central California! Choose for you! Jackie, why haven't you signed that lease yet?

Jackie

Dec 4, 2007 at 5:25 pm

Been Around,

Haven't signed yet because we're still negotiating the terms.

I have faith in Tom G and the current staff and I'm going forward and yes I know their backgrounds quite well. I'm sorry for those who have lost it all, I personally know one of them, but my situation is different. I'm going in to this knowing what I know from those who have graciously shared their experiences. Tom and the crew are doing their best to move the company forward in spite of Mark G and his weasely ways. I'm moving forward too.

Thank you to everyone who shared. Good luck to all of you! Jackie

Sunshine

Dec 4, 2007 at 5:51 pm

Jackie

You have a positive attitude about BFL. Do you own a franchise? Do you own more than one? If the answer is yes, then please share your club location, membership totals (the actual ones paying!) total overhead, total length of time your club has been open and how mcuh money you have already spent to date to be where you are. Maybe you have some secrets of success you would care to share since BFL Corp. idea's do NOT work in every area where a club may be located. But don't dare step out of the box...no matter where your club is located. If you do you become one of the branded ones now being referred to as "bad business managers" Sean:

YES.....BFL Corp. knows what the members of the AAFD want.(and want back!) but to BFL all of this is a joke rather than the nightmare from hell that it really is) Just a bunch of loud mouthy women making threats (sorry I know there are some men that own clubs too!) BFL had warning after warning of struggling clubs, low memberships, high overhead(since they have to approve your location and lease) and they repeatedly turned the other cheek.(check!) Do more advertising, do more mail drops, do more parties, do more and no matter what problems you are facing, make sure you have \$1,000./\$2,000. in your bank account on the 5th. day of every month, even if the landlord puts a pad lock on your door for non-payment of rent, even if the power company puts that colored tag on your meter because you can't pay the bill, even if your loved one should happen to wake up dead...we don't care as long as you make that payment every month. NO EXCUSES EXCEPTED!

Sean, with your help and this forum many many present, past and future franchisees are finding out they are not alone. BFL Corp. has had time and chances to make this wrong right. Now they should step up and admit to everyone that has ever been involved with BFL that they (BFL) are NOT always RIGHT. But they won't.....so now we(franchisees) have the AAFD, Dept. of Corp. and higher on our side.

Also, Sean, you ask about marketing for the upcoming months...of course they have a plan. The same one that does NOT work for everyone. Another postcard drop.....only this time they want \$2000. from all the clubs rather than the "normal" \$1500. And for those that have looked at that email from DM with the post card proof attached......DON'T YOU LOVE THAT 211 CLUBS IN BOLD PRINT AND THEN AT THE BOTTOM WITH YOUR MAGNIFYING GLASS YOU WILL SEE WHERE IT SAYS -some clubs not open yet. Go figure!!

Jackie

Dec 4, 2007 at 6:15 pm

Sunshine,

Over the past few months you've done nothing but ask questions, which I have answered, but you have never answered mine. Where is your club, when did you open, how many members do you have and how much do you spend on advertising per month?

Jackie (not yet open)

Jackie IS Denny
 Dec 4, 2007 at 7:15 pm

Dear Jackie,

PUHLEEZ! Your charade is so transparent - straight from the undercover cop wanna-be

playbook, Secret Squirrel 101. If you have a signed contract and intention to open a But-Flea gym, then I'm the Queen of England. You are a corporate mole. I've tracked your postings. I've identified your sloppy technique to try to extract information. I've analyzed your writing style. AND, I recognize your collaborative vernacular because I've spoken to you before.

To Everyone Else: Don't waste your time responding to "Jackie." Tom has sent "Jackie" on a fishing expedition and boy, is it ever fishy!! (Pam & Brandi caught on right away. Way to go!). And I AM a bona fide trained investigator. Did I mention that I'm NOT the Queen of England?

Sunshine

Dec 4, 2007 at 7:17 pm

Jackie,

Yes, I have answered your questions, but I will be more than glad to answer them again. I DO NOT own a franchisee. I do however have family and friends that do and I have walked the path with them daily for well over a year. It is a heartbreaking experience to watch the ones you love go through something like this. But maybe that is just my EASTERN COAST/ Southern Belle charming way. And as I said before (now that you have reminded me of who you are) you need to do whatever your heart and gut tell you to do and whatever that choice is, I wish you nothing but the best. Besides, BFL is in dire need of some new and fresh franchisees.......3rd./4th. generation bring it on.....they need the money.

on the ledge

Dec 4, 2007 at 8:33 pm

I too have watched a family member go downhill. Jackie I'm sorry but everyone's situation is different than the next when they first start out. You think you are different for some reason. "It won't happen to me, I know what I'm doing." You have been warned, no one wants to see you fail, but, guess what...it's inevitable. Bottom line. The numbers don't gel. Good luck kid!!!

In the Know

Dec 5, 2007 at 12:00 am

Although, all are seeming to wait and believe the white smoke will appear and declare Mr. Gergley the next Pope. And yes his PARTNER, Mr. Golob is a criminal con artist that has had his hands in other's pockets since Elaine Powers and before. But let's review. The TWO have been together at least since Fit and Healthy in 91-92. Mr. Gergley did not run at the first hint of the con , he has stayed and been party to the activities. The whole crew at current corporate has been together for quite awhile. "Thick as theives" A family affair! Each individual is culpable! Now I understand that there is a private burning bush in San Ramon that is a hiding spot for all to stand behind. Believe me I am not being disrespectful, it bothers me how the Christian shield is wrongfully utilized.

Let's look at the facts. A failing franchise system and a flawed model. Has anyone done any brand awareness studies! In marketing research one data point is...well one. Two you may want to notice, three or more is a trend!

There are way more than three on the failed clubs ,the number of companies run to the ground the number of bankruptcies.

And Jackie I applaud your blind faith, it is wonderful that Mr. Gergley wishes to move forward. We all do. He apparently doesn't want to see or accept his responsibility for the train wreck he has been party to in this venture for the past 4 years. Or the ones before. He certainly has enjoyed the spoils. Greed and avarice are two of the Seven Deadly Sins. P.S. Where is the retirement fund and why do some employees get one paycheck and others(family members) get 6-7. Perhaps other government agenicies(IRS) other that the DOC need to take a look at this company. Good Luck to all.

<u>sean</u>

Dec 5, 2007 at 6:52 am

Marketing Question: The Brookesville, FL (url below) hosted a Networking Open House in Nov. Is this something only they did, or has corporate encouraged this and/or other non-fitness related events for your clubs? What do you think of it?

"Butterfly Life of Brooksville, a women's fitness center at 7340 Broad St., Brooksville, will have an open house with networking opportunities from 8:30 a.m. to 4 p.m. Friday. Vendors attending will include Mary Kay, Market America, Home Interiors, Avon, Tupperware, Sensuria, Michele Siggins Accessories and others. For information, call 796-6070.)" <u>http://www.sptimes.com/2007/11/19/Hernando/Business_digest.shtml</u>

Vice Versa

Dec 5, 2007 at 8:40 am

Sean - Market Question: Brookesville, Florida is definitely operating outside the box. As a matter of fact, BFL has served default papers on others for doing just that. Maybe they are changing their attitude and seeing the light......or maybe the default papers are late in coming. Congratulations Brooksville, hopefully others are following your lead and realizing it's the only way to put food on the table. FYI - So many honest people out there believe their verbal statements and promises at the seminars.....we're only human....but remember it's whats in writing that counts!!!!! Fraud in the inducement is the legal term. (ladies in corporate....how do you live with yourselves knowing you're contributing to and perpetuating these misrepresentations?.....hope you can sleep well at night!)

Butterfly that's flying

Dec 5, 2007 at 10:05 am

What's it going to take for BL Corporate to fold?

I'm not interested in them just "going away" I would like to see them suffer as we all have. Some of you speak of healthy, booming, thriving clubs but yet you won't disclose how you got there....this leads me to believe that there is no such thing!! So, to ask my question again, what's it going to take to make Corporate stop and pay for what they've done?

In the Know

Dec 5, 2007 at 11:16 am

To Jackie is DENNY

Good work! I was suspicious when she listed a reason for not signing/opening yet was she was "still negotiating the deal" Negotiation, who got to negotiate the terms of their franchise agreement!!? It was sign,write check,clear check and seeya!! Visa Versa is right how do you people sleep at night?

Jackie Dec 5, 2007 at 11:35 am

To: Jackie IS Denny

You are a bona fide idiot! I am a franchisee doing my due diligence. Your comment..."try to extract information"...wow, you caught me! Isn't that the f'n point here, to get information. You say that you've spoken to me before, who the hell are you? I think Pam and I have corresponded via email at one point about a month ago when the negative emails began to fly. I will be opening in Southern CA as soon as I get this lease worked out. So genius, stop trying to discredit those of us with something positive to say or those with valid questions.

For those of you wanting to hear from profiting BL's, why would they post here, they are not even looking at these websites. The only people who are here are people like me doing my due diligence, people who have had a bad experience and are trying to get advice and or warn others and of course corporate shills. But not successful business people, they don't have a reason to be here. I will definitely let you know how I'm doing after I've been open for a year, good or bad.

Jackie

Jackie

Dec 5, 2007 at 11:40 am

To: In The Know

I'm negotiating my LEASE, I signed my agreement in Feb and attended BLU in March.

And you are wrong about negotiating the agreement. I wasn't smart enough but my friend had a great lawyer and they negotiated some parts of her agreement.

Jackie

Jackie

Dec 5, 2007 at 11:42 am

Re: Market Question-Brookesville

That kind of marketing was encouraged at my BLU.

<u>sean</u> Dec 5, 2007 at 12:34 pm

Jackie said Re: Market Question-Brookesville

That kind of marketing was encouraged at my BLU.

Jackie: What is the strategy? As it's an all-day event, is this like a micro-trade show? Do the vendors pay to be there? Or is the point just to get more traffic to the unit?

Isn't there an extranet or forum where BL franchisees share marketing ideas?

• <u>sean</u>

Dec 5, 2007 at 12:47 pm

Jackie: You've obviously been doing extensive due diligence, and decided to move forward developing your club. If you're in So Cal. I'm sure you've visited many clubs. What were some of the successful locations that made you excited about moving forward? Were those clubs operating differently than the less successful or struggling clubs? If someone wanted to visit 3-5

clubs to see BL at its best and most profitable, which locations would you (or anyone else here) recommend?

Which clubs do corporate and ARs bring prospective franchisees to visit?

Jackie

Dec 5, 2007 at 1:33 pm

Sean,

I don't know the specifics of the Brookesville event, I was referring to the ideas of marketing and networking in general, they are encouraged.

My reasons for going forward are many but I'll share a few. First of all there are no clubs where I live, the majority of clubs are in Central CA. Before anyone jumps on me....there was one near LA but it's on the closing list. The other club down south, which I did visit, is in Palm Desert and that one just opened in August. So I will be the first down here, which will be a challenge, I know.

What makes me excited about going forward is that this is a great concept. It is exactly what I was looking for last year at this time when I wanted a place to work out for myself. I researched the competitors and knew that by far BL was the best. Then I started digging more and found this website. I listened respectfully to the advice from franchisees who were not happy and asked many questions that were answered and some not. Your answers helped me make my decision. You confirmed the things that I already believed regarding marketing my business in spite of the lack of Brand awareness. I also think location has a lot to do with the success or failure of this type of business and I'm not talking about which corner, but which city or town. My market is Orange County, it's full of women who want to look and feel good and have the money to do it. Since I feel that the UFOC did not accurately state the amount of money needed to open and operate, I'm going to apply for a loan before I need it and before I sign my lease. I should have done that sooner but at the time I had no reason to doubt the UFOC, now I do. I'm not an expert, I'm just a woman on a mission, my own mission. I will come back and update my progress for the sake of helping others, but I've learned by now that if I have something positive to say it will get twisted. I don't know what good it will do but I will check in now and then. To answer your other question, yes, there is a forum for AR's and Franchisees to share ideas. It's a positive place to share ideas.

Thanks for you help Sean, Jackie

Just FYI

Dec 5, 2007 at 1:49 pm

To Jackie

I have seen the same kind of accusations made on other blogs like the ones Jackie is Denny made about you and using the same words. I think its just somebody who has nothing better to do than read other peoples stuff and try and cause problems everything about Butterfly Life is on the website so that's where she (or he?? probably got the information. Don't let them get your goat. You are doing exactly what you need to do to yourself. Keep it up.

<u>sean</u> Dec 5, 2007 at 2:26 pm

New post about a similar situation:

IS SHAPEXPRESS A GREAT FITNESS FRANCHISE OPPORTUNITY?

Linda

Dec 5, 2007 at 2:58 pm

Jackie: Did you contact the person who closed two years ago (should still be in the UFOC) in Orange County.....specifically Huntington Beach? He was forced to close based on the extremely negative articles that were in the Orange County Register about Mark Golob's sneaky tactics in shutting down the Linda Evans facility overnight. 450 members filed an action with the DA's office, Joe D'Agostino, and after a year, Mark Golob and Mark Mastrov settled with them. This franchisee lost members as soon as his clients associated Mark Golob with Butterfly Life. Golob's bad reputation preceeded him since Linda Evans was right around the corner from him. Tom Gergley (who was aware of this) assured this franchisee that it would not affect his business. Even promised him a discount on his royalty fees if he opened. He believed him.....Low and behold.....this good Christian was spewing a bunch of lies. It's all documented. I believe the article info was posted on one of the earlier blogs here. I wonder if you have contacted the other ex-franchisees in So. Cal. They all should be in the UFOC. I truly wish you success in your endeavor, but please know that the "disgruntled franchisees" want to protect those of you who are open, will open and those who have closed because of the misrepresentations made by Tom and Mark and their trustworthy employees. Please feel free to contact me directly through Sean. So Cal is the place to succeed and would definitely put them on the map......too bad they couldn't see it.....or maybe didn't care to

Jackie

Dec 5, 2007 at 4:35 pm

Linda

I lived near the Huntington Beach location. I don't remember anything about it though I wasn't looking for a place to work out at the time. I do remember the Linda Evans mess. I had copies of the court documents with me when I spoke to Mark on Discovery Day, even though I think he's wormy, he didn't say anything against the documents or the people involved. How could he I had it in print.

Thanks for the information and your well wishes.

To all the people out there full of questions...GOOGLE is your friend. I spent hours upon hours googling everyone and everything associated with these people. You have to dig deep, you can't give up after the first page, some of the most interesting things came from page 40 or 50 of a search. After all of my digging, I know I can make this work, I just need to get my \$ ducks in a row and i'm off.

Good Luck to you all and thanks!

• Tread Carefully

Dec 5, 2007 at 6:41 pm

Jackie,

I have read the blogs and followed along with the unfolding drama over the last couple of months. I think there are several things you should consider:

1. Yes...most of what has been said regarding the way these franchises were sold is absolutely true. The expenses were under-reported and the revenue exagerated. I was involved with Butterfly at the begining and sat in on many meetings where it was expressed to Mark that franchisees were coming into the venture with unrealistic expectations where the revenue and expenses were concerned. We too were told that the model could be successful if the people would do exactly what we told them to do. We as a corporate team were very concerned because we genuinely liked the people coming through the university and wanted them to be successful and yet it was clear to me that unless the were health club veterans, they were in deep trouble. (It later turns out that a couple who were in one of the early universities- the husband was a health club veteran- they bailed and closed down as well.)

You don't have this many franchisees that are ALL unhappy without there being some truth to the story. Whether the misrepresentation was done out of ignorance or purposely, the end result is that the company has very few, if any, locations that are generating enough revenue to cover expenses and a paycheck for the owners. That is not a good thing under ANY circumstances. It also speaks volumes about the character of the people involved. The current corporate team now has a responsibility to fix what went wrong and the fact that they refuse to accept responsibility should have major warning bells going off in your head at this point.

2. How many successful corporately owned stores are there? The most successful franchise organizations ALWAYS beta-test their own business model and can demonstrate sound businesses practices, selling and marketing strategies that have been proven to work as well as a P/L statement that shows expenses and revenue. On my side of the business, we call this "leading by example" and/or "putting your money where your mouth is". When there are successful corporate stores, this demonstrates that the franchisee has developed a model that can implemented and that THEIR staff has the skillsets necessary to teach others how to do it. How many Butterfly Life's has ANY of the corporate staff ever run? If the model is so successful, why don't ANY of them own one?

3. This last point is the most important and you can take this one to the bank: this type of franchise model is struggling all over the place. There was an article in a fitness industry trade magazine two weeks ago that went into great depth about how this type of model failing all over the place. A very well-respected industry vet was quoted as saying that this a "dark spot" in the industry.

EVERYONE who is now running a successful club in this industry will tell you that in this market, the monthly dues will no longer cover your expenses and bring you enough profit to live on. If you go into this thinking that it will, you had better have a huge, I mean HUGE fund to draw from for the next 24-36 months. You absolutely must be able to have services like personal training, weight management, supplements, fee based group programming and children's program fees to provide enough additional revenue with a profit margin of 30% or better, to be able to pay this bills and yourself. I just cannot stress this enough! This is the biggest thing that is wrong with the Butterfly model! There are no real ancillary revenue streams and therefore no profit. I operated clubs in Southern CA for several years. The competition is brutal. By running a women's only model, you automatically eliminate 50% of the population who could buy a membership. Throw in the fact that your equipment package is limited and there are no LIVE classes(this one is huge-women want good classes and they want them live-call the owner of the Pleasanton/San Ramon clubs and ask him what his Life Vision attendance is VS. his live classes) and you are taking on something pretty big. You are going to be swimming with the sharks

girl...and you need to understand that no amount of hard work, dedication, etc. can compensate for a poor business model in a cut-throat market.

You sound very smart, capable and and obviously you are extremely motivated. Those things however will not make up for the fact that the "women-only franchise model" is DEAD. Curves had the lock...they got there first, penetrated the market place before anyone knew what they were up to and BAM...the rest is history. Shape Express, Liberty Fitness, Contours, Butterfly Life, Lady of America-all of them have the same history...more failures than successes.

If you want to get into the fitness business-look at taking on some partners who have some \$ and then explore some concepts like Planet Fitness or World Gym. Planet Fitness is coming out with a less expensive, scaled down model that might work very well for you.

I have been folowing your story and I wish you the best. I am a 20 year veteran of the fitness business and I have run the women's only model and now own and operate a very successful club on the east coast. I am getting ready to buy my second location and rebrand it. I have also made many mistakes myself but have learned from them all. I was lucky that I didn't make one of those mistakes that cost me my house, my savings, my retirement, my self-esteem and my sanity. It truly was by the grace of God that I am where I am now.

I wish you well and hope that you will take my advice to heart. I have no personal ax to grind with Butterfly but I do call it as I see it. Right is right...and wrong is wrong. Good luck.

JACKIE FAN

Dec 5, 2007 at 10:04 pm

JACKIE: You are obviously a brilliant businessperson who knows a sure thing when she sees it! These other people fell for Golob's schtick but you already know about his integrity.

These other people were taken by surprise when the women's 30 minute concept started tanking, but you know full well it's a loser!

These suckers really believed there would be a massive branding effort, but you're already aware that people will think your club's a pet store!

These struggling Zees have to wonder if they should have known better, but you DO know better!

These people went into business not knowing if they'd be successful, but your chances couldn't be more clear: 0.

Like I said, you know a SURE THING when you see it!

Buy yourself something REALLY nice for Christmas this year... It's gonna have to last you for a while!

Happy Holidays!

Stay Tuned

Dec 5, 2007 at 11:48 pm

Tread Carefully

Hats off to you. We are happy to have you. And you are SOOOO right!!!! Corporate

You all know who you are, you know what you have done, you all were there, for a very long time and knowingly and willingly participated. That fact makes you accessories to fraud. Anyone and everyone can be named. The blogs won't stop, the trade journals won't stop calling us and the walls won't stop talking to us. Some out there have a great deal of integrity

Jackie, we'll plan a "party" at your location, there are many who have gone before you in the same area, Heck, they may still be paying on a lease, maybe you could do some good and sublet! By the way, if you are for real and have taken this long to find a place, corporate would have sent you a default notice for not opening in the stated time period and re-sold your area...oops hear not alot of sales going on so you dodged a bullet.

Mothra

Dec 6, 2007 at 1:54 am

Pop Quiz

Guess who said it:

September 23, 2007 at 3:30 pm

• Hopefully, corporate has learned from their mistakes.

• From January to September 2007, almost 40 franchises said that they were positive. Only two were struggling.

• Corporate only laid off its sales staff in order to focus more on support staff for new and existing franchises.

• More positive things were said by owners who opened in the past year.

• Everyone on this blog is failing to remember that there was a time when no one had heard of Curves.

• It takes time for any business to achieve profit level ... 6 months to a couple of years to get out of the red.

• Mark Golob is the president of the How Great I Am Club.

September 24, 2007 at 2:02 pm

• I'm skeptical about these sites.

• The owners I've talked to asked me not to reveal their identities.

• I'll continue to call owners so maybe I'll talk to one of [Pam's] friends eventually.

• Butterfly Life is wasting money on the "ridiculous 5 minute TV show."

• I think they [corporate] are starting to "get it," too, because the TV show isn't on anymore.

• They [corporate] need to focus on commercials that target membership.

• It took Curves "some time" to be brand recognized. It didn't happen overnight.

• I bought a franchise instead of opening an independent club because of Branding.

• I chose Butterfly Life because "we" [emphasis added] have a better product.

• I talked to several Curves and Contour Express owners who said they are having problems with retention because of their equipment and because Butterfly Life clubs are moving into their areas.

• I'm not here to argue with anyone.

• I'm not here to downgrade anyone who is having a hard time.

• I want to hear both sides.

• If someone posts something negative, no one says anything.

• If someone posts something positive, you say it's corporate.

• Being the first in an area to open a club is very difficult.

• People who have opened a club in an area where Butterfly Life has a "presence" have it easier.

• I'm here to learn as much as I can.

• I'm here to share what I know.

I'm sorry that you're having a bad time.

Where is your club and when did it open?

• Will you come out on top with a little more time?

• Do you see yourself going backwards?

• Does corporate timing have anything to do with an individual club's success or failure?

• Clubs that opened before 2006 describe a corporation different from the one I know.

• I'm just trying to get an objective view before I sign a lease.

September 24, 2007 at 2:25 pm

• Corporate sold 3 franchises in 2004; 18 in 2005; and "there were" 30+ in 2006.

• Because the numbers have increased each year, I'm wondering if maybe by now they've worked out some of the "kinks."

• The owners that I attended BLU with are in contact with me weekly and they're doing great.

• I'm only asking questions because I want the option of cutting my losses before I lose.

• I want to know what per cent of unhappy owners bought before 2006.

• The people I know & have talked to who are happy, bought in 2006-2007.

• Where is your club? Are there other Butterfly Life's in the area? "Just curious.""

"Slow your roll, we know it's not perfect but it is what it is."

• If we can learn anything and follow up with more questions for corporate, it helps.

• Did you just learn that marketing was up to you?

• Have you not attended BLU yet or read the agreement?

• "Don't freak, take a deep breath, you can do it."

September 24, 2007 at 4;11 pm

• Apparently, Sunshine, you have answers as to whom [sic] exactly was fired from corporate, so spill it.

• Like I said before, I was told by an outside source that Sales and Support were let go.

• If you want to help then give me something more to go on.

• If I'm going to raise hell at corporate I need more info.

September 24, 2007 at 4:18 pm

• I have a question about aafd.

• I've checked that site and the only thing I find is a story about the very first franchisees and their complaint from 3 or 4 years ago.

• I also remember reading somewhere that it was resolved (but not sure).

• I also checked the BBB, nothing stands out, am I missing something?

September 24, 2007 at 8:20 pm

Take a breath.

• I signed in early 2007.

• I've been looking for a space since then. I'm very picky.

• The BLU staff are still there. I never had a franchise counselor or area rep.

• I have current stuff.

• I'm aware of what I have to order and have budgeted appropriately.

• I utilized the UFOC and the Butterfly Life web site and contacted owners to find out about costs before I signed anything.

• Yes, folk, here in California we pay ridiculous prices for workout wear.

• I agree with corporate's guidelines for location.

• If you're in a busy shopping center where women can workout at your club then conveniently run into the local store, you're going to see them more.

• I want to raise hell at corporate because they need to get some commercials going again.

• I've answered your questions, so you can answer mine.

• We are not enemies.

• We're here to learn something.

• We're here to help each other.

• When did you sign and how long have you been open?

• Where are you located?

• How many members do you have?

• The \$1500 per month for advertising is for the first 4 months. After that you can decide how much or little to spend.

September 24, 2007 at 8:25 pm cont'd

Without Butterfly Life helping us by Branding, we will need to spend more on advertising.

• If you have info on who was fired or anything else that spells doom and gloom, share it.

Isn't that the idea here?

• Please stop insulting me by assuming that I'm just naïve because I still have hope for success. September 25, 2007 at 11:26 am

• I believe that Butterfly Life has the best product.

That's why I'm not going to run away.

• However, I am going to approach this venture differently.

I'm going to have to act as if this is a start-up, not a franchise, and proceed accordingly.

• I will start by choosing a smaller more affordable space.

• How important is the retail part & how much money does it bring in per month?

• Maybe I'll ditch the whole retail corner.

• I will just have to focus on grass roots marketing and work with what I've got.

• I need to get back to focusing on finding a location.

• I'll check in now and then and hopefully those of you who are struggling are still here and doing much better. Good luck to you.

• Good luck to those of us who are just starting out. Stay positive.

September 25, 2007 at 5:33 pm

I appreciate everyone's comments and ideas, good luck and thanks for sharing.

Dec 3, 2007 at 12:12 pm

BIG QUESTION!

• We all agree that BL is the best product out there.

• We all agree that BL lied when they said we only needed \$90-115K to open and survive the first 4-6 months.

• Is it possible to open and be successful with enough working capitol (\$200K) OR

• Is there something else wrong with the business?

• Corporate also lied about Branding.

• Sean reminded us that we need to advertise our 3 mile world.

• The royalty fee is inconvenient at best.

• I know so many who, like me, believed corporate so didn't get loans before opening.

• Is lack of funds before opening the biggest obstacle? OR

Is there something wrong with the model?

• I haven't signed a lease yet because I'm still trying to sort through all of this and figure out what to do.

• I signed my agreement a year ago in spite of my feelings for Mark G.

• I believe in the product.

• I'm not blind to the problems with corporate.

• I've had my eyes wide open all year.

• I really want this to work.

- I love the concept.
- I would appreciate if anyone could answer my question.

December 4, 2007 at 10:47 am

- Good for you having 250 members.
- I don't know of a single business that shows a profit before one year.
- Sometimes it takes two years to show a profit, so you're right on track.
- The aafd is not for you.
- Good luck and stay positive.
- Now duck and cover because the negativity is going to fly.

December 4, 2007 at 5:25 pm

- I haven't signed a lease yet because we're still negotiating the terms.
- I have faith in Tom G and the current staff, and I know their backgrounds quite well.

• I'm going forward.

- I'm sorry for those who have lost it all.
- I personally know someone who has lost it all, but my situation is different.
- I'm going in knowing what I know from those who have graciously shared their experience.
- Tom and the crew are doing their best to move the company forward in spite of Mark G and his weasely ways.
- I'm moving forward, too.
- Thank you to everyone who shared.
- Good luck to all of you.

December 4, 2007 at 6:15 pm

• Over the past few months, Sunshine has done nothing but ask questions.

• I have answered Sunshine's questions.

- Sunshine has never answered mine.
- Where is your club?
- When did you open?
- How many members do you have?
- How much do you spend on advertising per month?

• I'm not open yet.

Dec 5, 2007 at 11:35 am

- You are a bona fide idiot!
- I am a franchisee doing my due diligence.
- Trying to extract information is the f'n point here.
- Who the hell are you?

• I think Pam & I corresponded via email at one point a month ago when the negative emails began to fly.

• I will be opening in Southern CA as soon as I get he lease worked out.

• So genius, stop trying to discredit those of us with something positive to say or those with valid questions.

For those of you wanting to hear from profiting BL's, why would they post here?

- They are not even looking at these web pages.
- The only people here are people like me doing my due diligence AND
- People who have had a bad experience and are trying to get advice AND
- · People who have had a bad experience and are trying to warn others AND
- Corporate shills, of course.

- No successful business people are here because they don't have a reason to be here.
- I will definitely let you know how I'm doing after I've been open for a year, good or bad.

December 5, 2007 at 11:40 am

- I signed my agreement in February.
- I attended BLU in March.
- I wasn't smart enough to negotiate my franchise agreement, but my friend had a great lawyer who negotiated some parts of her franchise agreement.

December 5, 2007 at 11:42 am

That kind of marketing was encouraged at my BLU.

December 5, 2007 at 1:33 pm

- Marketing and networking in general are encouraged.
- There are no clubs where I live.
- The majority of clubs are in Central CA
- There was one near LA but it's on the closing list.
- I visited the Palm Desert club that just opened in August.
- I will be the first one down here. It will, therefore, be a challenge.
- The great concept makes me excited to go forward.
- It is the kind of place I was looking for the last time I went looking for a place to workout.
- I researched the others and Butterfly Life was the best by far.
- I started digging more and found this web site.
- I listened respectfully to the advice from unhappy franchisees.
- I asked many questions; some were answered, some were not.
- Your answers helped me make my decision.
- You confirmed what I knew about having to market my business without Brand awareness.
- Location has a lot to do with success/failure not which corner but which city/town.
- My Orange County location is full of women who want to look and feel good and have the money to do it.
- The UFOC did not accurately state the amount of money needed to open and operate.
- I'm going to apply for a loan before I need it.
- I'm going to apply for a loan before I sign my lease.
- I should have applied for a loan sooner.
- I didn't think I'd need a loan before because I had no reason to doubt the UFOC.
- Now I have reason to doubt the UFOC.
- I'm not an expert.
- I'm just a woman on a mission, my own mission.
- I will come back and update for the sake of helping others.
- I've learned that if I have something positive to say, it will get twisted.
- I don't know what good it will do, but I will check in now and then.
- There is a forum for ARs and franchisees to share ideas.
- The forum is a positive place to share ideas.
- Thanks for your help, Sean.
- Jackie

Dec 6, 2007 at 10:20 am

Mothra

Your point?

 JACKIE FAN Dec 6, 2007 at 10:58 am

I think it's like a tribute. Or a shrine.

These people read too much into everything.

Next they'll probably claim that you refer to them as Mark G. and Tom G. so google searches of their names don't bring them here. They'll take things like that as indicating you're one of them corporate shills, when actually you abbreviate for speed and efficiency. Don't listen to them, Jackie. I believe in you.

Jackie

Dec 6, 2007 at 11:02 am

To: Tread Carefully Thanks for your pearls of wisdom I really appreciate it.

Many of you have been very helpful and genuinely concerned for those of us who are just starting out. Thank you too!

To those who spend more time trying to discredit those of us who are trying to sort through the fluff and the muck...go focus on something positive in your life!

As for me, you've worn me out with your negative BS, I'm out of here! In about 3-5 months you will see my website listed with all the others and then you will know that I'm not corporate. If I decide not to go through with it I will let you know. In the spirit of wanting to help others the way that I have been helped, good news or bad, I will let you know how I'm doing after one year.

To those who lost it all I really am sorry. Like I said before, I know someone who lost it all and after spending an intense week at BLU we're like family. We all root for each other and want nothing but success! I know that everyone here had the same dreams and those that turned to nightmares are heartbreaking, my going forward is not a slap in the face to you. Good luck to you all.

Thanks again Sean your comments have been most helpful.

PEACE!

• <u>sean</u>

Dec 6, 2007 at 2:23 pm

Jackie said: To those who spend more time trying to discredit those of us who are trying to sort through the fluff and the muck...go focus on something positive in your life! As for me, you've worn me out with your negative BS, I'm out of here!

Jackie: I find that it pays to stay loose and not take stuff too personally in the new medium of anonymous blog conversation. In the volatile conversations on this blog, I often see corporate posers trying to extract true identities of their detractors. I've also seen a lot of paranoia and real commenters unfairly accused. Personally, I choose to treat people as who they say they are, but keep people from posting contact info or email addresses unless they are sure who they're talking to.

So don't take take the conspiracy theorists personally. If you're a franchisee looking for a

location, they weren't addressing you anyway. If you're not, you probably don't care what they think.

Look on the bright side... you've got a JACKIE FAN.

Sally Rand

Dec 6, 2007 at 6:30 pm

I agree with Jackie Fan. I think it's a shrine and a temple, too, because Jackie is a woman who has found her "goddess within." Her indomitable spirit against impossible odds has left an impression on me for sure.

She is one person who really understands what this blog is all about. If you just open your eyes and stop being so negative, you can see that Jackie really likes us, she really likes us!!

And she said it best herself: "We're here to help each other." I ask you to just stop and count the many ways Jackie has helped us!! And now, too, every time I go to this blog, before I open the page, I repeat what Jackie said: "We're here to learn something." When you finish counting the ways Jackie has helped you, then just contemplate all that you've learned from her. If I only knew then what I know now, thanks to Jackie, things would be a lot different.

And finally, when you're feeling down & depressed, just remember what Jackie said, "We are not enemies." I've turned my life around. Starting today, this very day, I'm going to forget about the thousands of dollars that was stolen from me, and take Jackie's advice to "focus on something positive in ... life!" You know, if Gergley and Golob had to take my money, they probably needed it more than I did.

I'm offering this challenge to everyone: Let's just forget about the money!! Jackie has said she's sorry about what happened to us, and that should be enough. We need to stop raining on her parade and just move on. The negativity is getting to her. Let's put on a happy face all ready!! And besides, she said she was going to raise hell with corporate (as soon as we give her some more information). She's gonna be fightin' the good fight for us. I feel better already.

Thanks, Jackie. From now on, when you think of your fans, think of Sally Rand!

Mothra

Dec 6, 2007 at 7:05 pm

Pop Quiz

Guess who said it:

December 6, 2007 at 10:20 am Your point? December 6, 2007 at 11:02 am

December 0, 2007 at 11.02 am

- Thanks for your pearls of wisdom.
- I really appreciate it.
- Many of you have been very helpful.
- Many of you have been genuinely concerned for those of us who are just starting out.
- Thank you too!
- Those who spend more time trying to discredit those of us who are trying to sort through the "fluff and muck" [should] go focus on something positive in your life!
- You've worn me out with your negative BS.
- I'm out of here!

- In about 3-5 months you will see my web site listed with all the others.
- Then you will know that I'm not corporate.
- If I decide not to go through with it, I will let you know.
- I will let you know how I'm doing after one year good news or bad in the spirit of wanting

to help others the way that I have been helped.

- I am really sorry to those who lost it all.
- I know someone who lost it all like I said before.
- We're like family after spending an intense week at BLU.
- We all root for each other and want nothing but success.
- Everyone here had the same dreams.
- Those who turned to nightmares are heartbreaking.
- My going forward is not a slap in the face to you.
- Good luck to you all.
- Thanks again Sean.
- Sean's comments have been most helpful.
- PEACE.

Broke

Dec 7, 2007 at 9:04 am

Good Luck to you Jackie......I hope you have lots and lots of cash to keep you floating for about 2 or 3 years. I certainly hope after those years have rolled on past that you have enough profit to pay yourself back for the thousands of dollars you have personally contributed. If I had the money I would still be open. It is a great concept.....but I looked ahead after I wasn't breaking even after a year and realized I was never going to be in the black with the minimum amount of money I had access to. I certainly wasn't going to be up to my eyeballs with oustanding loans for the rest of my life either. If you can get away with it you really need to go outside the box to be successful. I also had too much compitetion around me. LA Fitness, Curves, 24 hour fitness and most of the home owners associations around me had their on Gyms for the families in ther subdivisions. My question is why on earth would Corporate approve that location knowing I had so much compitetion? Because they want their money! I know I should have known better.....however according to corporate all those big clubs weren't my competition, they attract different crowds. BS! If I can get live classses, tread mills, swimming etc. for the same price or less, guess where I am going. Oh by the way I am now member of a gym that offers tons more (live classes and tanning) and I pay \$29.00 a month. Again good luck.....and hopefully we will all learn from this and Corporate will have changed for the positive for all of you that are Pro BFL.

Broke and Hopeful

Dec 8, 2007 at 5:30 pm

Jackie,

Should you happen to return to this site and you would be interested in buying a BFL sign, over 2000. worth of retail clothing, a beautiful PLASTIC sofa and chair, several hundred dollars worth of BFL promotional items REAL CHEAP, then by all means send Sean your contact information.(That way those with something to sell can contact you!) There are several people that would be interested in selling you these items. We know BFL Corp. will not allow you to buy the equipment from another failed club, unless they have stopped "newbies" from buying ANYTHING at all except from their "VENDORS".

Franchise Pick's Most Volatile Posts of 2007: A Wrap-Up
Dec 9, 2007 at 10:00 pm

[...] IS BUTTERFLY LIFE A GREAT FITNESS FRANCHISE? May 10th, 2007 - 193 Comments [...]

Fool Me Once...
 Dec 12, 2007 at 11:20 am

Fool Me Once... Dec 12, 2007 at 11:16 am

Tom Gergley - Get Real!!!! Do you really think that your letter to "Dear Former Butterfly Life Owner" dated Deember 11, 2007 is a generous offer? It should be posted here soon. Then we can get input from all the "bad business managers" regarding your offer. By the way, thanks for letting us sell the equipment and keeping 100% of the profits...it's our equipment to sell anyway...not proprietary...you can find it on the internet. Will you allow us to sell it to new franchisees...or is it outdated? And thanks for spliting the franchise fee with us if you resell our location. Let's see, I would make back 1/20 of my loss...if you ever sold it...been there done that with you!...and not charging a commission...your generosity baffles me!!!!!Perhaps all the "bad bussiness managers" have become more educated and will refuse to sign your generous offer. And what makes you think anyone will sign your release agreement either? Divide and conquer...it only works so long. All the AAFD members believed your offer for mediation in November. In good faith we made the attempt...your offer was insulting. Why should we believe you now? Hopefully, the legal issues will be settled soon, or EVERYONE will lose. Stay tuned

confused

Dec 12, 2007 at 6:07 pm

Where is the post from today? I read it earlier & now it is gone. It was the one about Tom.

confused

Dec 12, 2007 at 6:19 pm

never mind

Titanic
 Dec 13, 2007 at 12:20 am

Tom, I am offeded by your bulls-t offer of 12/11. Come on do you think the franchisees fell off the turnip truck?

I want you to know that I pray for you everyday - God tells us to pray for not onlyour friends but also our enemies.

On judgement day the big guy won't be happy with you for screwing all the people that believed you and your promises.

Your plan with this phoney baloney offer is to divide us but all you have done is piss us off and make us stronger. Thank you for that !!!

confused

Dec 13, 2007 at 5:48 pm

What is everyone thinking about the offer?

Welcome back my friends...the show that never ends Dec 14, 2007 at 12:01 am

to Fool Me Once Love it! To Confused Call us. <u>http://www.AAFD.org</u> You will no longer be confused.

To all

Has anyone seen the agreement that everyone is supposed to agree to without seeing, then sign after agreeing only to find out that....oops. Sounds like the original franchise agreement.. Bait & Switch.

Get real corporate, so you are agreeing to let the folks with old equipment sell to new franchisees...really? And the making back of bare 1/20 of the losses sustained by your misrepresentations, the fraud is a deal!? You know we have your line and the documents rescinding it. The walls are talking, can't you hear it? Do you have any idea how many people have contacted the AAFD? As stated before each and everyone who has been party to the fraud and known about it, hidden it, will be responsible.

Why is selling a territory again something you tout as a great thing. I guess because you have resold many territories out from under many people and have reaped the rewards ,that you think it is a gift. Give a 100% or is it you know you can't sell the BFL name and it is a hollow offer costing you nothing. People DO NOT SIGN! Their deals are always one sided! Area Reps , you guys haven't had enough yet! What is your time line for recouping your

investment? Better be long. This crew has been together for along time doing the same routine. Remember , Mr. Gergley did not just join this company yesterday, going on 16 years, Tom? in this partnership? You are not innocent!

 <u>Butterfly Life Chairman Gergley Offers Commissions to Ex-Franchisees</u> Dec 18, 2007 at 6:04 pm

[...] IS BUTTERFLY LIFE A GREAT FITNESS FRANCHISE? [...]

 Butterfly Life Chairman Gergley Offers Commissions to Ex-Franchisees at PIGASYS Dec 18, 2007 at 6:27 pm

[...] IS BUTTERFLY LIFE A GREAT FITNESS FRANCHISE? [...]

• Linda

Dec 19, 2007 at 11:21 am

To all franchisees: How's that book deal or TV show going with Martha, Oprah, Dr. Phil? These people are successful because they have great minds behind them...why would they jeopardize their reputations with known scam artists? Think about it...did you make a mistake? Contact the American Association of Franchisees and Dealers at http://www.aafd.org

 Troubled Fitness Franchise Butterfly Life Lowers Franchisee Royalties Dec 20, 2007 at 7:33 pm

[...] recent FranchisePick.Com BL posts (see here and here), Golob gets the most blistering comments, with some characterizing him as [...]

 <u>Troubled Fitness Franchise Butterfly Life Lowers Franchisee Royalties at PIGASYS</u> <u>Dec 20, 2007 at 8:12 pm</u>

[...] recent FranchisePick.Com BL posts (see here and here), Golob gets the most blistering comments, with some characterizing him as [...]

Marco Polo

Dec 23, 2007 at 12:31 am

Knock Knock.....who's there? Mark.

Mark who? Mark Golob.....the KING of the Scammers.

Ya know.....he reminds me more of Gollum in The Lord of the Rings. Just a few more years and they will look like twins with his hairline rapidly receding, the curvature in his back looking like a stegosaurus, and his arthritic posture collapsing as quickly as his general health. What a look for a President of a fitness franchise!

So, how did he ever get into the fitness industry then? The poor bastard was adopted into a prominante family that raised his like their son and introduced him into the business. Sadly though, as many impoverished and fear driven youths, he became obsessed with one thing......MONEY. Gaining it by hook or by crook.....he even offered his own adopted "brother" a piece of the Butterfly action, but of course, he had to pay full price (sorry, no discounts for family.....unless you are talking about Carly and Taylor). Mark's karma has come back around and will effect him and his whole family in the end though. That's universal law #1. What goes around, comes around.

As HUGE as Mark's EGO is.....it must be killing him to stay silent for so long. But, it seems that he has decided to stay around for a while longer since his home in Orinda is off the market now. FAILED to sell it apparently. No doubt he probably got caught in another lie and the buyer ran as fast as they could. Muzzled once again.

Broke and Hopeful

Dec 25, 2007 at 6:09 pm

Agreements, releases, commisions, lets make a deal! Let's see if someone out there has a nail file in their pocket....might make a good key or maybe even be used as a "get out of jail" card. For all of the franchisee's that are still open and don't know who or what to believe anymore....remember most attorney's have a free consult. Somewhere in this nightmare you have to start believing in someone...so start with yourself. What is your gut telling you? You have read a lot of information here, Sean has posted some very good points and things to think about. If you want to continue to believe in BFL, like some of the area reps (because it makes them sick to realize they could lose \$250,000.00+) then by all means that is what you should do. If you are uncertain about what to do, like so many others, don't just sit back and wait for the fire works. Stand up and be a part of the fire works.....by forming the BFL chapter with the AAFD, it has got the attention of Tom G. Too little too late for a lot of people, but if you are still open and want to salvage any part of your investment......take control! Don't give them your club! If you don't want to join the AAFD, then think about what you do want and how you can get it...standing there all alone.

Or join the AAFD, keep your club, debrand it, bring in your own line of clothing/tee shirts, nutritional supplements, vitamins, make up, go co-ed, or have husband & wife nights, contact Humana Insurance about their Silver Sneakers program, where they pay you to hold co-

ed group exercise classes, think retail! The only way to make it today is to have something more than memberships. There are many possibilities if you look for them. How much better off would you be, doing all the things that BFL corp. won't let you do? Doing things they promised you and never delivered on. If you're going down...go down with a fight..fight for yourself. If you love your club, your members, helping others...then stand up and say "NO MORE". In case some of you have not heard..... as of Sept. 30th, 2007 (the end of their fiscal year) BFL LOST \$875,000.00. How? According to their "books" advertising and payroll. So now there is NO advertising going on unless you want to count that same old postcard crap(that the franchise owners foot the note for) and everybody except "family" has been laid off. But then with clubs closing daily and some not paying royalties.....opps......wake up people. The writing is on the wall,(AAFD) not in the sky!

Merry Christmas and God help us, may 2008 be a better year for those of us that lost it all in 2007

 <u>Butterfly Life Chairman Gergley Offers Commissions to Ex-Franchisees | money news blog</u> Dec 25, 2007 at 10:00 pm

[...] IS BUTTERFLY LIFE A GREAT FITNESS FRANCHISE? [...]

• Titanic

Dec 26, 2007 at 11:53 pm

Any break down on that payroll? How much do the owners pay themselves, their family members? If you are losing money, just like the clubs, owners shouldn't be taking a paycheck home.

How much did they pay for advertising to promote club memberships or was it all really just spent on advertising to sell franchises? I'd bet at least 80% is for the latter.

I wonder if Mark and Tom got Coal in their stocking from Santa?

More Damage Control from Tommi & Markie Poo

<u>Jan 9, 2008 at 11:40 pm</u>

AMENDMENT AND MATERIAL MODIFICATION OF FRANCHISE AGREEMENT FOR EXISTING BUTTERFLY LIFE FRANCHISEES

RECITALS

Franchisor and Franchisee are parties to a Franchise Agreement dated _______, 200_ (the "Franchise Agreement"). All terms not defined in this Amendment shall have the meaning set forth in the Franchise Agreement.

Franchisee desires to amend and modify the Franchise Agreement. Franchisor consents to the amendment and modification subject to the terms of this Amendment, if Franchisee executes this Amendment prior to February 1, 2008.

AMENDMENT AND MODIFICATION

I. Section 6.01(b). The following shall be inserted after the last sentence of Section 6.01(b) of the Franchise Agreement:

"During the calendar year 2008 only, Franchisee shall pay a reduced

royalty fee of \$800 each month. All other terms and conditions regarding

the royalty shall remain unchanged."

II. Transfer Fees and Assistance to Sell. Franchisor will waive the transfer fee on any sale if Franchisee is a Butterfly Life franchisee whose Butterfly Life Center was opened prior to December 11, 2007 and if the Butterfly Life Center is sold prior to December 31, 2010.

III. General Release, Confidentiality and Non-Disparagement. Except as otherwise stated in this Amendment:

Franchisor, and its owners, successors, representatives, assigns and affiliates, release and forever discharge Franchisee, any Guarantors, and their owners, successors, representatives, assigns, and affiliates, of and from any and all obligations, liabilities, losses, damages, claims, actions, suits, proceedings, investigations, demands, assessments, judgments, costs, and causes of action, whether known or unknown, which Franchisor now has, or at any time has had, or may at any time have, arising prior to and

including the date of this Amendment, except as otherwise stated in this Amendment.

Franchisee, any Guarantors, and each of them, for themselves, their owners, successors, representatives, assigns, and affiliates, release and forever discharge Franchisor and its owners, successors, representatives, assigns, affiliates, officers, managers, employees and agents, of and from any and all obligations, liabilities, losses, damages, claims, actions, suits, proceedings, investigations, demands, assessments, judgments, costs, and causes of action, whether known or unknown, which Franchisee or any Guarantors now have, or at any time has had, or may at any time have, arising prior to and including the date of this Amendment, except as otherwise stated in this Amendment. Franchisee and any Guarantors represent that no third party claims an interest in any claim released by this release.

This Amendment is executed by the parties for the sole purpose of amending and modifying the Franchise Agreement as set forth in this Amendment and this Amendment shall not constitute nor evidence as an admission on the part of any party. The parties, for themselves, their agents, employees, and legal counsel, shall keep the terms of this Amendment confidential and secret unless required by law or court order, and shall not make, or cause to be made, any untrue statements concerning the other party or this Amendment which may have the effect of disparaging the other party or in any way harming the other party's business reputation. Franchisee and any Guarantors further agree that Franchisee and any Guarantors will not disparage the personal or business reputation of the directors, officers, managers, members, shareholders and employees of Franchisor.

IV. Miscellaneous.

A. Entire Agreement. This Amendment, and any attachments and documents referred to in this Amendment, constitute the entire agreement among the parties with

respect to the subject matter. This Amendment is executed without reliance on representations or statements of the persons released or their representatives, other than as set forth in this Amendment. No amendment shall be binding unless in writing and signed by the party against whom enforcement is sought.

B. Joint and Several. Franchisee and any Guarantors shall be jointly and severally liable under this Amendment.

C. Severability. Each provision of this Amendment is severable. If, for any reason, a court or arbitrator having valid jurisdiction deems any provision of this Amendment invalid, such determination shall not impair the effect of other provisions of this Amendment. Such invalid provisions shall be deemed not to be a part of this Amendment.

D. Attorney's Advice. Franchisee and any Guarantors represent that an attorney has advised them in this transaction and in executing this Amendment.E. Waiver of California Civil Code Section1542. Each party fully

understands that facts relating to any matter covered by this Amendment might be found to be other than, or different from, the facts now believed by it, him or her to be true. Each party expressly accepts and assumes the risk of such possible differences in fact and agrees that this Amendment will nevertheless remain in effect. Each party expressly waives any rights, benefits and protections that might have been afforded by California Civil Code section 1542, which provides:

[A] GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR;

and any statutory, common law, or other doctrines of similar force and effect of any jurisdiction, under state or federal law.

Signed as of the Effective Date.

Franchisee:

By:_____ Print Name:______ Title:_____

Franchisee:

a _____

_

By:_____ Print Name:______ Print Title:______

Guarantors:

_____, Individually

_____, Individually

Franchisor: Butterfly Fitness, Inc.

By:_

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Thomas Gergley, Chairman/President
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TRANSLATION:

The first section only saves Butterfly franchisees \$2,400.00 for this year. It is not a great deal of money. Besides, what happens next year?

The second section presupposes a market for resales. How many units have resold in the last 24 months? Is it realistic to assume that a failing unit can be resold? There is no market for failing units. Who would be foolish enough to buy one?

The third section is a release that covers Butterfly for pre-purchase misrepresentations, but does nothing for the franchisee. Essentially, Butterfly is buying itself a release for royalty reduction of \$2,400.00. It is a great deal for Butterfly, but a lousy one for the franchisees. The fact that they are offering such a program, is an indication that they are nervous, and believe themselves vulnerable to a legal attack.

Sunshine

Jan 11, 2008 at 8:13 pm

"The fact that they are offering such a program, is an indication that they are nervous, and believe themselves vulnerable to a legal attack."

WOW!! Does any one think it strange that termination/default letters and emails from BFL went out today Jan.11, 2008 all dated Jan.10,2008......the same day a counterclaim was filed against them?? In my opinion "nervous" does not come close to what BFL is feeling. I know some people that will be sleeping peacefully tonight and I don't mean TG or MG!!

Let their nightmares begin.....fireworks in January!!

Fool me once

Jan 22, 2008 at 5:13 pm

Weeeere Baaaack - Not only has a counter claim been filed against the boys, but I hear a class action is pending. Could mean that "ALL" franchisees will get a shot at 'em!!!!...even area reps if they're smart and join the action. We're on a roll...and noting can stop us now (what a great title for a song!?!?!)

Wize Old Owl

Jan 25, 2008 at 12:53 am

Butterfly Life Franchisees, I'm curious, why haven't you joined the law suit? What have you got to lose? Haven't you lost alot all already?

The group has done all the work,

Joined the AAFD, compiled all the paperwork and facts, hired one of the top franchise lawyers in the country,

filed the proper paperwork with the Dept of Corporations & the courts.

Everyone that has purchased a franchise area or sales area will be eligible to join. Don't miss this window of opportunity to right the wrongs of BFL corporate.

<u>sean</u> Feb 5, 2008 at 8:12 am

The list of all FranchisePick.com articles & posts on 30 Minute Fitness Franchise news & issues has been updated:

30 Minute Fitness Club Franchises: Blogliography

Links include the Forbes story, FitnessBusinessPro article and links to stories on the Curves franchise, the Contours Express franchise, the Butterfly Life franchise, the 1-2-3 Fit franchise and others.

Feel free to check it out and let me know if there are links I should add.

Janeane

Feb 10, 2008 at 10:22 pm

30-Minute Fitness Centers are a dying fad. Don't buy one you will lose. There are too many and they have all run their course. This is just another knock off of the Curves franchise that if you reserch you will find they are closing down left and right. Don't even open any type of gym unless you have experience in the industry I wouldn't advise going into it. Your established competition will put you out of business so rearch your demographic and your competition. Only so many gyms can survive within a town. You better be the biggest and the best offering everything not just a circle of equipment that will bore your clients and they will drop off after the 1st & 2nd year. That means no money, no clients. This company is no different from the hundreds of others that are losing \$\$\$\$\$. Good Luck.

Sadderbutwiser

Feb 23, 2008 at 9:42 pm

Jackie, are you still out there?

OverNout Feb 24, 2008 at 12:35 pm

With only 3 posts in the month of February, I'm wondering if this thing has been settled. Is it settled or just dead?

Vice Versa
 Feb 24, 2008 at 5:24 pm

It's only just begun....the class action arbitration was filed on January 10, 2008 against BFL and Golob and Gergley personally. We are just waiting for the "boy's" attorney to pick an arbitrator of their liking. They only have a few more weeks to make a decision. Let the games begin!!!!! If you or anyone would like further information or to be a part of this class action, please contact the AAFD at 619-209-3775.

I'm Confused
 Feb 25, 2008 at 7:56 pm

I'm a bit confused is there an actual class action suit filed or for that matter any suit filed or is it just going to arbitration?

I am Confused

Feb 25, 2008 at 7:57 pm

I'm a bit confused is there an actual class action suit filed or for that matter any suit filed or is it just going to arbitration?

Fool me once

Feb 28, 2008 at 11:17 am

Confused, you need to understand the difference between litigation, mediation and arbitration, and maybe you do. BFL states in their franchise agreement that any legal issues must be remedied through binding arbitration. Rather than a judge and jury, there is a three panel arbitration board that decides the case. This is a binding decision meaning there is NO appeal as with a jury trial. The decision will stand and will be sent to all business and fitness publications as well as being posted on this and other blogs. The Butterfly Life Franchisee Association has already attempted mediation with corporate in 2005 and in Nov. 07 to no avail. The Association asked that corporate stand by their VERBAL promises, improve the support and national branding promised to all franchisees with resistitution to those who were forced to close their doors. The participants of mediation were insulted by Butterfly Life's lack of concern and disregard for all the franchisees who were failing or soon to fail. Many more have closed their doors since that date. The members of the Association are looking forward to the pending arbitration in order to finally resolve the issues and set the story straight. The investigation by the Department of Corporations in California will also be extremely helpful during the arbitration process. Keep in mind that this is a CLASS ACTION arbitration and anyone who is interested in restitution based on Butterfly Life's misrepresentations can join in the process. Please contact the AAFD at http://www.aafd.org to join your organization and get the restitution you deserve. Once arbitration has begun, the doors will be closed to any new members. If you believe you were mislead and fraudulently induced to purchase your franchise, please do yourself a favor and join this organization to stand strong with your fellow constituents. As they say....there is strength in numbers...and now we have them! Full speed ahead.....!!!!!!

Fortune Article Spotlights Butterfly Life Franchise Woes
 Mar 1, 2008 at 4:56 pm

[...] May 10th, 2007 IS BUTTERFLY LIFE A GREAT FITNESS FRANCHISE? [...]

• Jen

Mar 5, 2008 at 6:01 pm

I don't have a franchise but I did join a club. I would not recommend it to anyone. I was promised great weight loss results. Instead I gained weight by taking the owners advice. She rather look up things on the internet about buying dogs than help people with equipment issues. I am in the process of trying to get my money back. I tried to cancel but she wouldn't let me. There is nothing in the contract that states I can't. The club is in Shakopee, MN. The owners name is Rachel. She is very rude.

confused

Mar 6, 2008 at 7:12 am

I dont feel that comments from customers who had a bad exerience with 1 owner should be allowed on this site. All of my members showed great improvement after their 4 week evaluation, but I don't sit around & look things up on the web. The title of this site is: "is butterfly life a great FRANCHISE". That is called slander lady-get a life.

Butterfly flying

Mar 6, 2008 at 9:03 am

I haven't posted on this site for a long time but in reading the last 2 posts, I just had to put in my "2 cents". First, Confused....that's great that you have successful members but obviously Jen had a bad experience and she's frustrated. She was voicing her opinion about what happened and in a sense warning others about that particular club. That is not slander it's merely a statement about what happened. Jen, I'm sorry that you had an unpleasant experience with your particular club. The owner should have coached you about your eating habits and your workout program. There is no possible way that the "equipment" caused your weight gain unless you increased muscle mass ~~ that will give a spike in weight on the scale but that's because muscle weighs more than fat AND that's exactly what you want to happen. You may want to re-think that one. This site is about Butterfly Life being a good franchise option or not. Our club is now closed and it isn't because of the product, it's due (in a nutshell) to Corporates' lack of doing what it promised. We are involved in the class action so I won't say more than that. Jen, you did sign a binding contract so I'm going to suggest that you try to talk with Rachel and tell her that you aren't happy with the program and ask her to go through it with you again and set up a better workout plan for you. Maybe you want to join Weight Loss Express. OR see if you can transfer to another club...if there is one in your area. Hang in there, we believe that the whole company is going to fall.

confused

Mar 6, 2008 at 9:35 am

I understand her being upset. It is just that like you we are trying to do the best we can. If people who are looking for info. about becoming a member at my club reads her blog, they may think that there is something wrong with the product. There is nothing wrong with the product. The is something wrong with the owners of this company. I am sure Butterfly Flying that when you were trying to save your business, that the last thing you would want to see on the web is one person saying bad things about Butterfly Life b/c of a BAD owner. I don't want to be in the same situation as you & I am trying to keep my head above water. If this site is here to support owners in danger of failing, I think this site needs to focus on Tom & family not one bad owner. Jen, I am very sorry that you are unhappy with your club & owner. If you were a member at my club I would have been more proactive in your weight loss. Unhappy members are very bad advertising. I would make good any way that I can. I would have reviewed your chart, & suggested the WLE program as well. We can't go home & eat with you or drag you into the gym 3 times a week, but I would call & check on you & make sure that you knew we were here to support you. Butterfly Flying: Please help us not to fail as you did.

• <u>sean</u>

Mar 6, 2008 at 9:42 am

confused said: I dont feel that comments from customers who had a bad exerience with 1 owner should be allowed on this site. All of my members showed great improvement after their 4 week evaluation, but I don't sit around & look things up on the web. The title of this site is: "is butterfly

life a great FRANCHISE". That is called slander lady-get a life.

Actually, by definition it's not "slander" if it's true. An owner publicly telling a customer that she should not be allowed to express her dissatisfaction and to "get a life," rather than showing concern for her situation, does a lot more damage than her complaint, IMHO.

Do you have 100% retention from all of those successful members? If not, did those who left openly share with you why they were leaving? I'm sure they each eventually told 10-20 others why they quit, if even for indifference.

I don't say this to be hostile or critical - just to offer a little perspective. It's hard to keep up the cheerful enthusiasm and customer service you had when you first opened. But owners have to be careful not to let their own frustration make their situation even worse. Your customers are paying a monthly fee for services promised to them. Your profitability, sales levels and frustrations are not their problem. If you tell them to take their opinions elsewhere, their business, referral power and your good name with go with them.

Jen, share your dissatisfaction with the owner. Sometimes people lose perspective when working long hours. At least email her a link to these comments anonymously. As you've read, these guys are under a lot of stress and it wouldn't hurt to give her a second chance before bailing.

 The Self-Fulfilling Prophecy of Small Business Failure at Franchisee Marketing Mar 6, 2008 at 10:28 am

[...] recent comment exchange on a popular FranchisePick.com about the struggling Butterfly Life fitness franchise illustrated [...]

confused

Mar 6, 2008 at 10:29 am

Oh Sean, I am very kind to my members. I would never tell someone to take their frustrations somewhere else. That is not how I work! And yes, I do know the definition of slander! I guess I am just more frustrated with this site. You seem to pick & choose what is placed on this site. If someone states that they are successful you ream them or it is not posted! Very interesting! I am not a Tom fan by all means. I have used this site to educate myself, but there doesn't seem to be much help for those in trouble. If you want to post a positive response-it doesn't make it on. Why does a negative comment about 1 person seem to get posted? You guys just want everyone to fail, b/c it helps your cause that much more. Jen, I am sorry for tellilng you to get a life! I should have directed my frustrations to another place. Like I said, I would have never treated you like your club owner did. I respect my members & I would want to make you happy. That was way out of character for me. So Sean, the only way to get you to respond is by pushing buttons. Why don't you help those in need not to make bad mistakes. How about some free advice. Directing those of us who are poor to the AAFD (?) doesn't help. We don't have the money to participate in this group.

The Self-Fulfilling Prophecy of Small Business Failure Mar 6, 2008 at 10:38 am

[...] recent comment exchange on a popular FranchisePick.com about the struggling Butterfly Life fitness franchise illustrated [...]

 confused Mar 6, 2008 at 10:43 am Wait a minute! Hi, I just checked my email and on my email are some comments that are said to be posted by me. I have not asked any questions from this site in a long time. It seems to be very easy to get people's name(confused) and there email address. I have no comments for this site. I am indifferent to what is going on. If a member want to be angry at another owner, it make zero difference to me. Maybe she will come over to my club instead. I would give her great service. It sounds to me like someone is starting some trouble. I want my name & address removed from your information.

<u>Fool me once</u> Mar 6, 2008 at 10:50 am

If any of you want to save your club, you should rebrand asap. Anyone associated with the name Butterfly Life will have a difficult time being profitable based on the negative publicity in publications and the blogs. If your members love your dedication in helping them, are receiving success and are happy with your club, they will continue to be members. It's not the name they are coming for. What has the name done for you as a franchisee....maybe taken \$1000 a month in royalties....oops, this year it's \$800.....next year it's back to \$1000 with ALL of it going into corporate's pocket. Remember, you'll be on your own as far as advertising goes. You all need to rebrand now if you want to maintain your credibility. The association with the BFL name will have a very negative impact. After the class action begins, the BFL name will be ruined. Members will come to you if they believe in you....do you believe in (corporate) Butterfly Life? Have they provided you with everything they promised? Take a hard look at what you wish for your future. I truly wish everyone who has an active club great success. You're doing a great deed for women, but remember, you've done it on your own. Contact AAFD.org if you would like information regarding the class action arbitration. By the way, Confused, spoken defamation is call "slander" and written defamation is called "libel." People shouldn't ruin others' lives by telling lies, but on the other hand, they should be able to speak freely without fear of litigation over every insult, disagreement, or mistake. Social disagreement is important in a free society. Obviously, we don't all share the same opinions or beliefs. Jen is stating her experience with Rachel's club, which may save others from the same problems at that particular location. The Butterfly Life Franchisee Association is trying to save others on a larger scale....from buying a franchise or receiving restitution for what was promised you. Good luck to you all.

• <u>sean</u>

Mar 6, 2008 at 11:07 am

Confused:

"on my email are some comments that are said to be posted by me. I have not asked any questions from this site in a long time." "I want my name & address removed from your information."

Now I'm confused. Email me one of the comments that are not yours so I can clear it up. Also, where is your name and address posted? email me: info[at]ideafarm.net.

FYI: I don't knowingly block or delete comments. feel free to email anything you think didn't get posted. It's probably on a different post than you remember. It could have gotten caught in a spam filter. But I don't edit for one side... in fact, I like debates and would rather have both rather than one side.

confused

Mar 6, 2008 at 11:15 am

Sean, I'm sorry. I guess because I get these emails from AAFD all the time with my address I assumed that my address can be obtained very easily. I have access to others address because of this. I am wondering if someone wants to be funny. All of this is extremely sad. Do you guys make this stuff up?

sorry Mar 6, 2008 at 11:39 am

This is a silly conversation.

sorry
 Mar 6, 2008 at 11:40 am

I did all of this. There isn't even a poster named confused. I am signing off. sorry

mad

Mar 6, 2008 at 11:47 am

Sounds like a troll. Mad

• <u>sean</u>

Mar 6, 2008 at 12:49 pm

sorry/confused: Sean, I'm sorry. I guess because I get these emails from AAFD all the time with my address I assumed that my address can be obtained very easily.

Only the administrator (me) can see your email address and I don't share it with anyone unless you specifically ask me to. If you post a website address when leaving a comment, people can click on your name and it will link there. If you do have a website, leaving comments helps boost your traffic.

I'm confused... but thanks for boosting the comment count. Also, the exchange inspired a couple of posts:

http://www.franchiseemarketing.com/?p=63

http://www.franchisepick.com/the-self-fulfilling-prophecy-of-small-business-failure/

And

confused?

Mar 6, 2008 at 2:08 pm

Well, I am sorry for any confusion Sean. I would like to know how to remove my address from your files. I keep getting emails from franchise pick. I posted a question a long time ago & I have not taken part in any of the comments since then. I didn't say that you gave out my email address, but I continue to get new comment notices & info. from the AAFD. I know that you are not the AAFD, but a lot of the people who post here are. This may be a way to stir up trouble. My email is posted on the AAFD info. for all of the world to see. It is interesting that you would post confused's negative comment, but you wont post his/her I sorry comment on the other site. Once again, keep doing what you are doing. God Bless you & those who have had trouble. But, please take me off.

<u>sean</u>

Mar 6, 2008 at 2:26 pm

confused?: Well, I am sorry for any confusion Sean. I would like to know how to remove my address from your files. I keep getting emails from franchise pick.

We're not sending out emails. You may have subscribed to receive comments from a particular thread. See the text below the comment box that says "You are subscribed to this entry." Click the link next to it that says "Manage your subscriptions" It's on a post-by-post basis, so you may have subscribed to others as well.

Jen

Mar 6, 2008 at 5:03 pm

I am sorry if I upset you confused. I was just expressing my frustration with Rachel and how she runs her club. I went last night to talk to her and she wanted to call the cops because I wanted to talk to her outside. I won't post anymore comments on this website. Thanks for all your consideration.

• Breathe

Mar 6, 2008 at 6:13 pm

I hope Jen reads the following: The 2 criteria's for a person to purchase a BFL Franchise is 1. The check clears, 2. Is the person alive. There are no background checks, financial verification, Credit Check, etc. It is harder to purchase a home then it is to purchase a BFL Franchise. A BFL franchise owner does not have to have any history or fitness background at all. A customer has no idea who the owner of a BFL is. Anyone can purchase a BFL Franchise and I mean anyone. Jen hang in there and keep your head high. Do not let this experience put a negative spin on your ultimate goal of wanting to be healthy by adding a fitness program to your life. I hope your situation works out to your benefit and you are able to find a workout club that you will be happy to be a part of.

Curious

Apr 10, 2008 at 11:19 am

Anyone know what happen to the Club in Arlington, Texas? It is no longer on the BFL Website. Did they close or debrand? That was the first one in Texas to open. I am sorry the second one in Texas to open. I almost forgot there was one in Irving in 2005/2006 that closed in Aug. 2006.

• <u>sean</u>

Apr 10, 2008 at 1:06 pm

Looks like Butterfly Life and Contours Express will both be recruiting new franchisees at the International Franchise Expo in Washington D.C. this weekend.

http://www.ifeinfo.com/exhibitorlist.cfm

• <u>BD</u>

Apr 21, 2008 at 8:49 pm

Sean,

Well it will come as no surprise to some, but Butterfly Life has begun to export their "opportunity" to other countries. A few weeks back at the IFA EXPO in Washington DC they had a booth set up and were conducting franchise seminars in a private meeting room. In attendance were their top propaganda agents, Mark Golob, Cheryl Hoke and Janet Lossick. It seems Mark has come out from hiding and is again taking an active role in the spread of their failed concept. I have been reflecting on what is actually wrong with their business model and why so many clubs seem to fail. Not just Butterfly Life clubs but the 30-minute workout concepts. In my opinion there are two problems.

One is competing with Curves is like trying to open a hamburger stand in a McDonalds parking lot. My product may be better, but hey they're McDonalds. I know what I'm getting, my friends go there, they like the burgers and they are the reigning king of fast food. Curves is no different in the 30-minute women's workout concepts. They could raise prices, lower service and would still get 90% of the available market just on brand name alone. Now this is not to say market share can't be had, but a company must approach this very methodically, with a clear strategy and with defined achievements along the way. This leads me to my second point.

The franchisor must deliver on what they promise to the franchisee's. Once a franchise is open, they will provide the SERVICE an individual club is expected to provide. If corporate looses track of their responsibility, building brand equity around the clubs, then it will all come falling down. It is a bit of a yin and yang relationship.

As a former BFL club owner, we tried everything to develop the brand on our own. We did newspaper ads and feature articles twice a month, direct mail at 2,000 pieces a week, 8 weeks of TV ads (yes, thousands of dollars a month), offered discounts to neighboring businesses, produced door hangers and take one fliers for schools, on cars, churches, senior centers, apartment complexes and even gave away annual memberships to prominent individuals in the community. There were other things, but you get the idea. Even if we had a 90% closing rate on sales we would have had a very hard time reaching the 300 member breakeven point.

Now there are those that will say this is more ranting from a disgruntled franchisee and that there are successful clubs out there. That may be true, but I have my doubts. The fact is BFL has closed or just plain not opened more clubs than they have ever had open. You wouldn't know that reading the highly suspect figures published in their UFOC, but that's another story.

In retrospect and the advice I give anyone looking to open BFL club...... buy and IRA, your retirement years will be spent much more comfortably.

BD

vice versa

Apr 24, 2008 at 2:20 pm

I see that BFL has finally posted Martha Stewart's picture and Magazine on their website. Do you think this was the big venture BFL talked about for sooooooooo long to induce franchisees? It seems to me that it's just an offer for franchisees to sell her magazine. I can't imagine her attorneys would allow her get involved with Mark and Tom after they find out the real background of these two. She can't afford to tarnish her reputation any more than she already has. I bet you could buy her Magazine at Costco for a greater discount than throiugh BFL and turn a better profit. BD - You're right about the UFOC. It's difficult to maneuver through, but once you figure out what to look for, there are so many misrepresentations regarding open and closed clubs that it would completely overwhelm a potential franchisee....that was probably their intentions. I thought the point of the UFOC was to inform the public.....with accurate, updated information. I believe the Department of Corporations would agree. Can't wait for the outcome of their investigation or for arbitration to go forth! I think they'll be surprised at the number of particpants in the class action.....maybe that's why they're trying to stall us. Also, I

noticed that the number of open clubs on the website haven't changed greatly in many, many months. Well, I guess that's why they decided to sell abroad.....no one knows their tactics yet.....but they will! BD - I am also a former club owner and will definitely agree with you that without the service promised from BFL and the branding, this franchise is going to die a slow death.....but the end will come. The next wave is already upon us with more closures. The public can't afford to be so oblivious and naive if they want to get involved with these scammers. The sad part is, the area reps are the ones who are going to lose big time!!! SEAN - do you know where ex franchisees can post sales of their equipment? If you have access to any sites who are providing this service, please let us know. To all of you who are open....I wish you the best of luck....and again I ask.....please let us know if you are making a good profit.....if so, buy an IRA like BD says....cause it won't last long.

Butterfly flying

Apr 24, 2008 at 3:13 pm

Yes, I saw that too. I agree, I'm sure it's just a ploy to make new people think that BFL is great and doing so much to help brand the name. It's a bunch of bs if you ask me.

Sean, we too have BFL equipment to sell. It's the newer version and in perfect condition! Do you know of a place to advertise it? Besides Craig's List? Thanks!

Breathe

Apr 25, 2008 at 6:57 pm

Butterfly Life Fitness in Dublin, CA has a for sale listing on Craigslist as of April 17th, 2008 but the club is still on the website.

<u>Buddy</u>
 <u>Apr 25, 2008 at 9:59 pm</u>

Hey, ? for all - I received an email from Butterfly Life this week advertising I could own 10, yes 10, BFL locations for 65k. Are they giving these away?

• Wize Old Owl

Apr 25, 2008 at 11:38 pm

\$65,000 plus the joy of having them take \$1000/mo royalties (by automatic payment) times 10. Sounds like the deal of a lifetime - Don't forget you'll be profitible in 6 months. How could you turn them down?

<u>Buddy</u>
 <u>Apr 26, 2008 at 4:37 pm</u>

How could I turn that down you ask? Easily ;)

9 <u>sean</u> Apr 26, 2008 at 6:50 pm

Someone shared the same email with me. I have posted it here for your review and expert opinions:

Butterfly Life Franchise Offer: 10 Franchises for \$65K.

This is an Area Representative offer, correct? Correct me if I'm wrong: They will be pitching this prospect that he/she will sell these 10 franchises to others, keep half the franchise fees and half the monthly royalties?

You are a cynical bunch, but AR Mary Bauer appears in the email and she's delighted with the corporate team, which has been there for her every step of the way.

broke

May 12, 2008 at 1:07 pm

Any updated closure list yet? I notice 2 in Texas are gone from the BFL website. Arlington and Granbury. 2 of the first ones that opened in Texas.

Fool Me Once

Jun 16, 2008 at 10:27 pm

All locations are closed in Colorado (including area reps locations)except one. Unfortunately, the area rep didn't disclose to this new franchisee that she also was closing! AR's....remember that you are as responsible as BFL corporate for disclosures before selling any franchises. You could be the next in line for arbitration!

Butterfly flying

Jun 17, 2008 at 8:38 am

The last I heard (through the grapevine) there are Area Reps getting together against BL Corp. Does anyone know about this? I can see how it would happen since many are club owners too.

• PMG

Jul 11, 2008 at 10:15 am

This is only my second post to this web-site. The first was in May, 2007 after our membership hit 200 members. We were quite excited at the time. Unfortunately, it was all down hill from there. Today, our BFL gym is closed and we have lost well over \$200,000.

In our region, there have been more clubs that have closed than remain open. The few that are still open aren't making any money. In fact, not a single club I am aware of is making money.

BFL corporate would like you to believe that the failed clubs are the result of the owners. But, there are far too many failed clubs to accept this as anything more than corporate's covering its own ass.

All things being equal, in a decent franchise concept and implementation you might expect 1/3 of the franchiees to fail, 1/3 to do mediorce, and 1/3 to succeed. In a great franchise concept and implementation, the precentage of successes would be much higher than 33%. In the case of BFL, it appears that 2/3 or more fail, 1/3 does mediorce, and no clubs are truly succeeding (making money).

If you are considering a BFL franchise, make sure you do your due diligence or you will be like so many of us, sorry we were ever sneared by Butterfly Life.

Butterfly flying

Jul 11, 2008 at 12:46 pm

Dear PMG,

I'm so sorry about your club.....you are now in OUR club, BUTTERFLY LOSERS!!!!!! Have you joined AAFD? If so, great! We did and are very happy. If you haven't then you may want to check it out!

SUNSHINE

Jul 12, 2008 at 6:54 am

PMG......many of us feel your pain and loss. We are all on the same road, just some of us are ahead of you....by weeks, months and a couple of years.

You were one of the few lucky ones to every reach 200 members. You did not say where your region is, but it truely does not matter because it is the same story in every state. I used to tell the ladies-I love hanging out with "losers" all day and that we make "winners out of losers". Many of us have lost our clubs, our homes, our retirement, our savings, and in some cases our family....but that DOES NOT make us "Losers". Together in the end, if we accompolish nothing more than stopping the "powers of being" at what is now referred to as "BUTT FLIES", we will be winners. As a group (members of the AAFD and those that are not) we have the desire and hopefully the ability, to stop them from ruining any more lives while they try to line their pockets with gold. I rejoice in knowing that so much of that "gold" is now being spent on their attorneys fees. How does it feel M and T?? Let me answer that for you on behalf of all of us....IT SUCKS! WE HOPE YOU BOTH SUFFER IN WAYS THAT WE ALREADY HAVE AND ARE TODAY.

• <u>sean</u>

Jul 12, 2008 at 9:55 am

PMG:

Condolences on the passing of your club. Considering the life span of a butterfly is two weeks, you hung in there pretty well. Remember the saying *What doesn't kill me makes me strong*. If your workouts didn't make you strong, I'm sure this experience will.

Failing at anything is a blow to self esteem, but BL franchisees should remember you had 3 strikes against you. In addition to BL itself, the concept itself is suffering from too much competition and member attrition. Additionally, you're struggling for survival in the worst economic climate in recent history. Discretionary income is becoming a myth for many. Despite what appear to be valid gripes with the visionaries at the top, Curves, Contours and every 30 Minute Workout concept I know is struggling too.

At least when you're struggling in this economy, you've got lots of company.

Butterfly flying

Jul 12, 2008 at 11:28 am

Well said Sunshine....they need what's coming to them, and I don't mean more \$\$\$\$!!!!! I am praying that AAFD will get their day in court!

<u>sean</u>

Jul 12, 2008 at 1:35 pm

Has the AAFD been effective thus far?

I've been pretty tough on Bob Purvin for awarding and defending Cuppy's Coffee, which seems to be operating the roach motel of "refundable deposits" (Check goes in, but a check don't come out).

I'm hoping that's just an isolated blindspot. Hopefully, he won't have Golob & Gergely singing a duet and handing out fair franchising awards at the next AAFD golf-fest.

Still Confused

Jul 12, 2008 at 5:10 pm

I've heard the 2 of the three arbitrators have been chosen, does anyone know when this case will be heard? It'seem's that this is taking forever.

• PMG

Jul 14, 2008 at 2:21 pm

Sean –

At the moment, I'm not feeling too strong. I should have closed the club at least six months before we did but we had invested so much money and time and the thought of giving up and flushing it all away was paralyzing. It didn't help that we had 4 years left on our lease or that corporate still expected their cut. Despair and false hope (stoked by corporate – with things like the rumor regarding Martha Stewart) kept us going - and pissing away the balance of my retirement trying to reach a goal that, in hindsight, was always unreachable: profitability.

Your comments about '3 strikes' from our experience are pretty much dead on. Our membership high was 222 attained by mid-June '07. But of this number, 62 were paid-in-full. While the cash from PIF's was desperately needed when it came in, it meant that we had not truly reached the magic 200 break-even number. That number, of course, was based on \$39.95/mo originally presented by corporate. After the recommendation by corporate to reduce the monthly membership price to \$29.95 to be more competitive, the goal posts, the break-even number, was moved farther away. Not by corporate per say, but by competition.

By the 3rd week in June '07, our new membership sales crashed (the competition from summer is tough even if expected). What we didn't expect was the high attrition. Not only from nonrenewals (August was our 1 year anniversary) but also from the number of members requesting medical freezes, or asking to be let out of their agreement for medical reasons, or with declined checks and credit cards that we had to chase. Before we knew it, the summer lull of new memberships combine with higher than anticipated attrition to put our net membership (and our monthly revenues) is steep decline.

The most frustrating thing was that even members who were successful in toning and losing weight, and with whom we thought we had good relationships with, were not renewing. New competitors opened within a few minutes of us - one selling its memberships for \$19.95/mo and the other for \$14.95/mo – and didn't help matters. The latter club ran a special in September for \$9.99/mo and took a full page ad in the same clipper magazine we were in on a half page with \$29.95 pricing special. A few of our most consistent members defected to these competitors – which were not supposed to be competition because they were co-ed clubs.

I could have matched the price but I remembered what Denny said about not giving it away. When I couldn't convince these members to stay - and pay a small premium for our beautiful women's only club, my spirit (and delusion) was finally broken.

Butterfly flying

Jul 14, 2008 at 8:10 pm

PMG

Your story.....I know we've heard it before but it still brought tears to my eyes. I did have a chuckle when I read the old line about 200 members being the "break even" point WELL...that depends on where you are. Our break even would have been 350 members and we couldn't get passed 60!!! The whole thing makes me sick everytime I read these broken stories....so so sad!! Well, PMG, have you joined AAFD yet? It would sure be worth looking into!! Good luck, no matter what you decide to do...and God Bless you too!

breathe

Jul 15, 2008 at 9:42 am

MARTHA STEWART! Are MG and TG actually telling their franchisee's and area reps this is a possibility?! The business savvy & corporate empire Martha Stewart has and built, I just can not imagine she would get involved with MG and TG, who have no business savvy & do not know how to build a corporate empire. What the.....! It just does not make any sense.

• <u>sean</u>

Jul 15, 2008 at 12:06 pm

...I just can not imagine she would get involved with MG and TG... These are just licensing deals. Pay enough and you can use a famous person's name. The days of this chain being able to afford a high profile spokesperson are long past. Unless maybe Linda Evans is available...?

• Butterfly flying

Jul 15, 2008 at 4:38 pm

The Martha Stewart thing...we were so excited over it!!! WOO HOO....

That was before we came to realize that Martha isn't going to team up with these losers. They are using her magazine subscriptions to let the new owners (and what's left of the old ones) think that there is a connection. When all is said and done the clubs have to buy the subscriptions and give them to the new members as a come on. The whole thing disgusts me!!!!

Butter Fried

Jul 15, 2008 at 4:38 pm

Breathe,

Yes, many of us were told that they had a deal pending and they were finalizing the contract.

Butterfly flying

Jul 15, 2008 at 4:39 pm

The Martha Stewart thing...we were so excited over it!!! WOO HOO....

That was before we came to realize that Martha isn't going to team up with these losers. They are using her magazine subscriptions to let the new owners (and what's left of the old ones) think that there is a connection. When all is said and done the clubs have to buy the subscriptions and give them to the new members as a come on. The whole thing disgusts me!!!!

Wize Old Owl

Jul 15, 2008 at 11:17 pm

Who thinks MG and TG should spend some time behind bars like their "Friend" Martha did? It wouldn't help my financial problems but it would make me feel better!

sean Jul 16, 2008 at 6:15 am

Do you think they'd organize the boys in the yard at Chino and start up a circuit training franchise for prisons?

 Butterfly flying Jul 16, 2008 at 8:09 am

Sean and Wize Old Owl.....

I think it would be a great idea for them to spend time behind bars and wouldn't that be a sight to see....all those burly convicts on the "made for women" machines and prancing around doing group x classes!!!! LOLOLOL!!!

Thanks for the laugh!

• PMG

Jul 16, 2008 at 3:56 pm

Sunshine - Butterfly flying -

We have not joined AAFD. We still have month left over at the end of the money. When our financial situation is more stable, I will look more closely into it. I realize the case may be settled before were able to join, but that's the Catch-22 we're in.

Even if we were able to become part of the legal action, I would want to know about the chances for recovering any of our losses from these – 'gentlemen' (I'm being polite because that is how I was raised). Even if the legal decision goes for the franchisees, as I understand it, there's not much money available in the corporate coffers.

These guys are wickedly clever in an evil sense and undoubtedly have hired the best legal eagles the fees of newly ensnared franchisees can buy. Is there really any hope that MG & TG's personal, ill gotten gains could be attached for a settlement?

Bankrupt Butterfly Club Owner

Jul 16, 2008 at 6:37 pm

Seriously Sean, I think the big burly convicts might find these fellas from Butterfly Life kinda "Pretty". Maybe they would have done to them what they've done to us. LOL

• sean

<u>Jul 17, 2008 at 6:22 pm</u>

You may want to forward them some of our picks for the best franchises ro run from prison, including <u>Probst's Prison Wine</u> and <u>H&R Cell block</u>

 Butterfly flying Jul 17, 2008 at 9:30 pm

Good one, Sean!!!! ROFLMAO!!!!!

sean
 Jul 22, 2008 at 11:19 am

If you have equipment to sell, email me at unhappyfranchisee[at]gmail.com We're going to promote your equipment here: <u>Your Town Health Club</u> Sign up for less than \$20/mo. here: <u>http://www.yourtownhealthclub.com/sell-your-fitness-equipment/</u> You can also list your club for sale. Email me if you've successfully sold your club equipment

You can also list your club for sale. Email me if you've successfully sold your club equipment and will share who bought it and what they paid. - Sean

Sunshine

Jul 31, 2008 at 3:47 pm

Hello everyone.....well it has been over a year now and as I understand it the disgruntled franchisee owners ARE still hanging in there!! So I wanted to ask Phil Gerst, Susan, Cynthia, Leigh, Franchisee, Freaker out, Ted, Jackie-by all means JACKIE, Doing my best, Eliza Jackson and Observer-have any of you made \$1.00 profit this past year? If so, congrats to you! If NOT, we tried to tell you. My family lost an additional \$42,763.92(+- the change!) in the last 12 months. So when does one decide-to keep digging deeper-or jump the hell out of the hole?(We jumped months ago, but the hole is still there. How many of you "positive believers in BFL" would like to share your story this year?? Better yet- how many of you are still around? We would love to hear from you again.

Sunshine

Jul 31, 2008 at 3:56 pm

Sean,

Let me say "Thank you" once again. For all you have done, tried to do and continue to do. Hopefully the above links will be of help to some of us. First there was M & T robbing everyone, now the economy, and God help us all because Nov. 4th. is right around the corner!

<u>sean</u>

Jul 31, 2008 at 7:36 pm

Sunshine:

You're welcome. Thanks for sharing your hard lessons with our readers who are getting quite the education from some of your unfortunate circumstances. I think that you guys who refuse to go away quietly are doing a lot to help clean up franchising - good franchisors need to realize the damage that the others are doing and help put a stop to the less savory business practices of the cloud merchants in their midst.

Anyone willing to share their stories on UnhappyFranchisee.com, please email unhappyfranchisee[at]gmail.com for a list of questions.

Thanks,

Sean

 <u>Butterfly Life's Golob: Failed Franchise Owners Should Blame Themselves</u> Aug 20, 2008 at 8:40 am

[...] Butterfly Life Franchise Lawsuit in Forbes Franchise Pick's Most Volatile Posts of 2007: A Wrap-Up Franchise Dreams Becoming Nightmares for Many Fitness Club Owners Will the REAL Butterfly Life Franchise Please Wave Its Wings? IS BUTTERFLY LIFE A GREAT FITNESS FRANCHISE? [...]

Sunshine

Aug 25, 2008 at 3:23 pm

Sean and all who have read and posted to this blog. It is with much sadness and a heavy heart that I say this. An ex- BFL franchisee from Atlanta, Georgia, Cynthia Holt, who lost her club, was in debt beyond repay, whose home was in forclosure- has ended her life. All of the details are uncertain at this time. As sad as this is, it says a lot about what destruction and despair many are facing. No one ever thought anything like this would happen, but it has. You will be missed Cindy.

<u>sean</u> Aug 25, 2008 at 3:43 pm

Sunshine & All BFL Franchisees:

That is very sad news. I am sorry for the loss of your friend and colleague. You are more than welcome to post a tribute here and/or on UnhappyFranchisee.com on the Butterfly Life page.

My condolences and prayers go out to the Holt family.

Sean

Feel free to share a message here:

BUTTERFLY LIFE: Franchisees Mourn the Loss of Cynthia Holt

Breathe

Aug 25, 2008 at 5:29 pm

To Butterfly Life Corporate..... HOW DO YOU SLEEP AT NIGHT!!!!!! To the employees that exist at corporate..... HOW CAN YOU SUPPORT WORKING FOR THIS COMPANY?! ARE YOU THAT DESPERATE FOR A PAYCHECK?!

 Sunshine Aug 25, 2008 at 6:53 pm

> Breathe You tell 'em girlfriend! I am too damn mad right now.

Bankrupt Butterfly Club Owner Aug 25, 2008 at 7:18 pm

I am so deeply saddened by Cynthia's passing. I can say that I have had some really depressing days and Weeks but my family is there to pump me back up thank GOD!

These ruthless franchisors are ruining lives and laughing all the way to the bank. The lawmakers at Our state level and In

Washington need to hear our stories and change the laws to stop what happened to Cynthia and

the rest of us.

Cynthia I know you are in a better place sweetheart you will be missed. My prayers are with you.

Ex Ms Contours

Aug 26, 2008 at 9:27 am

Just wanted to add my condolences to everyone associated with Cindy. To her family and friends, I pray for them to have God's strength at this difficult time. I usually post on Contours Express blog and read all the other blogs because it seems our stories are pretty much the same. It always gives me strength to get through the day reading and knowing I'm not alone in what happened to me. Yes, how can these so-called franchisors sleep at night!!! Yes, they ARE to blame. There have been just too many people hurt by their actions not to step back and see the big picture. Now this, another death! Whoever reads this and is among all of us going through tough times: there is HOPE for us. Please, don't give up. This too shall pass. God bless us everyone.

• E. Regina Widman, M.D.

Aug 26, 2008 at 12:13 pm

I have been a Life MD Advisor for ButterflyLife. I have never been paid anything during this entire period of time. My contribution was going to involve making videos for the Life Vision project, however this never happened. I am very sad to read about what has happened in the past 1-2 years and was not aware of these issues. I have known Mark Golob for 30 years and have always found him to be an honest and dedicated professional business man. When the TV production was done in Los Angeles, we were paid for travel expenses and a small stipend for our time. However, we were never paid any further when the commercials were aired around the country.

Butterfly flying

Aug 26, 2008 at 5:11 pm

I would like to touch on 2 posts:

First (and foremost), I want to express my condolences to Cindy's family, what a loss and a huge hole that will make in their lives....the notification brought tears to me eyes and pain to my heart!!!!!

Second, Dr. Widman, what is it you are trying to say? That Golob WAS a friend and now you feel differently because his true colors showed up or are you still defending him? Also, are you referring to the ad that they used to sell the franchises? There was never an ad to really PROMOTE the clubs themselves. And that stupid "blurb" that was supposed to be a "teaser" to the SHOW....yeah, right!.....with Lisa Bellini making Blondies...how bad was that???!!!! Again, the advertisements for that said you can get in shape by listening to their 5 minute blurb....never did it refer to the clubs! Wouldn't that be nice to watch a 5 minute spot on tv each week that will get you back into shape!!! HA

However wrote...."this has got to stop"....is so right. There has to be something done to these people!

• Butterfly flying

Aug 26, 2008 at 5:13 pm

Sorry, I meant whoever not however...sorry!

• Damn the Flies of Butter

Aug 26, 2008 at 6:23 pm

My prayers go out to Cynthia's family and friends. We will always remember you Cindy! We will fight to the very end! And we will win! Down with Butterfly Life-we are stronger now than yesterday-than last week-we will not give up and go away!

<u>Vice Versa</u> Aug 26, 2008 at 7:30 pm

Dr. Widman - I realize you have known Mark Golob for 30 years and based on that knowledge, and the fact that you had no idea of what was going on, it would be great now if you could step up and use your personal relationship with Golob to bring a resolution to this issue that is fair and just. Obviously, we don't know the same Mark Golob you know. As you can see from what's going on, and now the death of one of our members due to her stressful life and financial ruin, Golob has caused so much pain and suffering to so many franchisees who just wanted to earn an honest living and support their families. Many of them have lost their life savings, their homes, their retirement and some their marriages as a result of business failures. It's easy for a franchisor like Golob to say that the failure is a result of the actions or non actions of the franchisee. But when the franchisor cannot point to one franchisee who has been able to make a sustainable income, then one must question the ethics and values of attempting to sell more franchises into a system of proven failure. I think that you and others who were unwittingly involved like Carole Lieberman and Beth Shaw could use your influence and relationship with Butterfly Life to address this ongoing tragedy. Its not just for ex and current franchisees of BFL, but for all franchisees in this country who are not being protected, and infact are being ignored by the FTC and the regulations that govern franchising in this country. We are deeply saddened by the loss of one of our franchisees and also the loss of a Quizno's franchisee who took his life under similar circumstances. Our united front will continue until justice is served!!!!! By the way, as an original franchisee in 2004, we were told that we would receive a dvd by you for viewing on our Life Vision. That never occurred and Golob is still using your name to promote Butterfly Life.

• Breathe

Aug 27, 2008 at 8:49 am

Dr. E. Regina Widman,

Your post is evasive. What are you trying to say? Why do you still allow yourself to be a represented advisor with BFL, since you do not get paid or do much good towards this sleazy company? Are you concerned about your reputation in regards to being involved with BFL? I just do not know how someone with good conscience could be involved with BFL.

• Butterfly flying

Aug 27, 2008 at 9:43 am

Still waiting for your response Dr. Widman....I believe that we are due at least that from you.

• OUTRAGED! Aug 27, 2008 at 3:05 pm Come on group-do you truely believe the post was from E. Regina Widman, M.D.??? I don't. If it were I think she would have responded by now. But then it has taken her over a year to post, how and why did she even find out about franchisepick??? Why now??

Beth Shaw is easy to find, Michelle Rotell is easy to find-why not look for Cicely and see what she has to say. Beth Thorp-I never saw anything on fashion-unless they are referring to the "retail junk" we had to order that faded, was over priced in any market and mostly did not sell. What about PSYCHOLOGY ADVISOR

Diane G. Sanford Ph.D.-if Cindy had had a psychologist to talk too-maybe she would still be alive. But she didn't. She lost her club, had lots of debt like the rest of us, no money-like the rest of usshe was losing her home-like some of us have and will-she felt worst than a failure. She felt screwed-like so many of us-but she had no where and no one she felt she could turn to anymore. She felt death was better than the hell she was living here on earth. Before BFL-Cindy had a job, money in the bank, her home, credit cards, family-and she had a dream. That dream became her nightmare-which broke her (and I don't mean money). I hope the boys hurt for her-I hope they find out the details-I hope it haunts them like it does some of us. But then we have a soul and a conscience-I don't believe they do.

These are my own personal opinions-if you don't agree it is ok-and if you do-then SOUND OFF!

Butterfly flying

Aug 27, 2008 at 4:09 pm

Outraged,

I guess some of us are naive. Maybe that's what got us into this in the first place. I did truly believe that Dr. Widman posted that. OH well, at least it got people back to posting a bit! I agree with you in that I hope BL Corp hurts over the death of Cindy. It's a sin, plain and simple!!! Is anyone close to her family? Will they prosecute for wrongful death? I think they should.

• E. Regina Widman, M.D.

Aug 27, 2008 at 4:50 pm

When I became a Life MD Advisor for BFL in 2004, I planned to make several dvd's on women's health. I wrote several scripts and production dates were scheduled, but they were cancelled and never rescheduled. I had hoped to teach women what I teach my own patients every day about health, wellness and preventive health. I am very saddened about all that has happened. I have requested that my name be removed as Life MD Advisor today. I have no power, nor any authority regarding the BFL corporation. I believe that the concept of BFL was wonderful, encompassing so many aspects of health and fitness. I have never received any compensation for my position of Life MD Advisor.

Carol Cross

Aug 27, 2008 at 4:54 pm

Such a tragedy! Could it be avoided? It is because prospective BF franchisees were tricked into buying a very high risk investment with terrible consequences, under cover of government regulation, that Cindy put more at risk than she should have put at risk —-and this destroyed her.

Understand that regulation is designed to permit franchisors to hype and sell their franchises without being required to disclose the actual risk, and to protect the franchisors in the courts and in arbitration from charges of fraud when the businesses fail.