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Pre-sale Approval and Managing the Escrow Account

Georgia law allows health spas to sell contracts prior to opening. In order to do so, health spa owners are required to submit to this office, a completed Health Spa Pre-sales Account form and a notarized Health Spa Information form for pre-sales. An approved membership contract must be submitted with both forms. Upon receipt and review of all documents, the Administrator or his designee will issue a written statement which will authorize the pre-sale of health spa memberships.

The Health Spa Pre-sales Account form should be completed by a representative at a local bank. The form should clearly state what the escrow or trust account number is and must be signed by the bank official. At no time, should a gym owner complete and sign the Pre-sales Account form. Health spa owners are responsible for completing the Health Spa Information form for pre-sales. Regardless of whatever the planned marketing strategy of the health spa will be during the pre-sale, GA law requires the completion of the Health Spa Pre-sales Account form and Health Spa Information form for Pre-sales.

Funds that are collected by the health spa during the pre-sales must be deposited into the pre-sale escrow or trust account. Each deposit to the escrow account must be identified by the name and address of the individual who purchased the membership. There can be no withdrawals from the escrow account at any time. Consumer contract amounts that are made with credit cards and are cancelled during the pre-sale, cannot be charged-back or debited from the escrow account. All refunds of payments by a consumer are to be made from an existing business operating account. Authorized banking and merchant fees may be deducted by the bank as specified by the terms and conditions of the account.

At the time of the gym's final inspection, the Administrator or his designee must be provided with copies all bank statements for the escrow account. All bank statements will be thoroughly inspected.

Upon inspection of the escrow account, facility and contracts, the Administrator or his designee will issue a statement that certifies to the bank or trust company that the health spa is fully operational and available for use, and that the funds in the account shall be released to the health spa, along with any accrued interest. At that time, refunds which were paid from the business operating account may be recouped by the health spa owner.

In Summary

- To begin pre-selling gym memberships, owners must submit a Health Spa Pre-sales Account form, Health Spa Information form for Pre-sales and membership contract to this office. Upon receipt and review of all documents, the Administrator's designee will issue a written statement which will authorize the pre-sale of health spa memberships.

- The Health Spa Pre-sales Account form should be completed by a representative at a local bank.

- The Health Spa Information form for Pre-sales should be completed by the gym owner.
- Funds that are collected by the health spa during the pre-sales must be deposited into the escrow account.
- There can be no withdrawals from the escrow account at any time.
- Upon inspection of the contracts, escrow account and facility, the Administrator's designee will issue a statement that certifies to the bank that the health spa is fully operational and available for use, and that the funds in the account may be released to the health spa.

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