

FRANCHISE DISCLOSURE DOCUMENT

AKT

AKT Franchise, LLC
a Delaware limited liability company
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AKT Franchise, LLC (“we,” “us,” or “our”) offers for sale a franchise to establish and operate a fitness studio that offers and provides indoor AKT Classes/instruction and other related exercise classes under the “AKT” marks (each, a “Studio”).

We may also grant certain parties the right to own and operate a non-traditional Studio from an agreed-upon dedicated space within a third-party “big box” gym/fitness facility (LA FITNESS®) that is located within an existing territory (the “Non-Traditional Site”) that has already been awarded to that franchisee in connection with a traditional Studio (described above) it has developed (each, a “Non-Traditional Studio”). If the Non-Traditional Site is located within a geographical area that has already been awarded to a System franchisee prior to March 2022, then only that franchisee will be offered the right to own and operate that Non-Traditional Studio (unless otherwise agreed by the parties).

The total estimated investment necessary to begin operations of a single franchised Studio from a traditional site is \$320,616 to \$495,516. This includes approximately \$80,250 that must be paid to the franchisor or its affiliate(s).

The total estimated investment necessary to begin operations of a Non-Traditional Studio from an eligible Non-Traditional Site ranges from \$167,916 to \$297,016. This amount includes \$20,250 to \$80,250 that must be paid to the franchisor or its affiliates prior to opening.

The total investment necessary to develop multiple franchised Studios under our form of area development agreement (a “Development Agreement”) depends on the number of franchises we grant you the right to open, which in all cases will be three (3) or more under this Disclosure Document. The total investment necessary to enter into a development agreement for the right to develop three (3) Studios is \$395,616 to \$570,516 which includes (a) a development fee of \$135,000 that is paid to us or our affiliates prior to opening, and (b) the total estimated initial investment to begin operation of your initial Studio from a traditional site. The Development Fee is calculated as follows: (i) \$45,000 per Franchised Business if we award you the right to develop between three (3) and five (5) Franchised Businesses; and (ii) \$40,000 per Franchised Business if we award you the right to develop between six (6) and nine (9) Franchised Businesses; and (iii) \$35,000 per Franchised Business if we award you the right to develop between 10 or more Franchised Businesses.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read the disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payments to the Franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Melissa Chordock at AKT Franchise,

LLC, 17877 Von Karman, Suite 100, Irvine, CA 92614, and at (949) 404-3516.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "[A Consumer's Guide to Buying a Franchise](#)," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS: APRIL 1, 2022.

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit H.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only AKT business in my area?	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchise have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What’s it like to be an AKT franchisee?	Item 20 or Exhibit H lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/akt>