

JUN 22 2018

## FRANCHISE DISCLOSURE DOCUMENT

Department of Business Oversight



Body Energy Group USA LLC
a California limited liability company
2775 Rinconia Drive
Los Angeles, California 90068
Telephone: 877-776-4844
Email: info@bodyenergyclub.com
Website: www.bodyenergyclub.com

We offer franchises for the operation of "Body Energy Club" retail outlets. A "Body Energy Club" retail outlet (a "**Store**") specializes in the sale of vitamins, nutritional supplements, juices, smoothies, and other health food products.

The total investment necessary to begin operation of a "Body Energy Club" franchise ranges from \$624,000 to \$1,023,500. This includes \$35,000 that must be paid to us or our affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Oscar Rodriguez at 2775 Rinconia Drive, Los Angeles, California 90068, tel. 323-621-9335.

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 an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at <a href="https://www.ftc.gov">www.ftc.gov</a> 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 Franchise Disclosure Document is: May 29, 2018.



## STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in <u>Exhibit B</u> for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

## Risk factors:

- \*1. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN THE OUR HOME STATE (CURRENTLY, CALIFORNIA). OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN CALIFORNIA THAN IN YOUR HOME STATE.
- 2. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.
  - \* Local law may supersede these agreement provisions. Certain states require the superseding provisions to appear in an addendum to this disclosure document (see <a href="Exhibits G">Exhibits G</a> and H of this disclosure document).

Effective Date: See the next page for state effective dates.

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## STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin; as well as exemption from the business opportunity registration requirements in Florida, Kentucky, Nebraska, Texas, and Utah.

STATES	. EFFECTIVE DATE
California	
Hawaii	Not Filed
Illinois	Not Filed
Indiana	Not Filed
Maryland	Not Filed
Michigan	Not Filed
Minnesota	Not Filed
New York	Not Filed
North Dakota	Not Filed
Rhode Island	Not Filed
South Dakota	Not Filed
Virginia	Not Filed
Washington	Not Filed
Wisconsin	Not Filed

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of May 29, 2018

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