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FRANCHISE DISCLOSURE DOCUMENT

CARDIO BARRE FRANCHISE, LLC

A California Limited Liability Company

12530 Riverside Drive

Studio City, California 91607

Telephone (818) 761-6006

URL www.cardiobarre.com

E-mail admin@cardiobarre.com

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LA Mailroom

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Department of
Business Oversight



The franchisee will offer the Cardio Barre fitness program at a single business location. The total investment necessary to begin operation of a Cardio Barre franchised business is \$137,323 to \$228,323. This includes \$40,000 that must be paid to the franchisor and \$3,323 paid to its 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 Nicole McMaster, 12530 Riverside Drive, Studio City, California 91607, telephone (818) 761-6006.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, such as 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 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.

Issued **February 11, 2016** and amended ~~July 26~~ **October 28, 2016**

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does not provide goods or services to Cardio Barre franchises or offer franchises in any line of business

ITEM 2 BUSINESS EXPERIENCE

Founder, Chief Executive Officer, Treasurer, Secretary and Manager Richard Giorla

Mr Giorla is our Founder and was named our Chief Executive Officer, Treasurer, Secretary and Manager at our inception in April 2007. He also serves as Chief Executive Officer of CBI (since June 2001). Before that, Mr Giorla was a professional dancer and choreographer.

Director of Administration Nicole McMaster

Ms McMaster was named our Director of Administration in April 2014. She also serves as a Sales Associate and Stylist with Free People, Hollywood, California (since July 2010). From October 2011 to April 2014, Ms McMaster served initially as Front Desk Associate and then as Studio Manager of the Cardio Barre franchised Outlet located in Hollywood, California. From May 2013 to January 2014, she served as Manager of Gregorio Photo, Los Angeles, California.

Director of Franchise Operations and Development Max H Beaty

Mr Beaty was named our Director of Franchise Operations in May 2013. In February 2014, he was named Director of Franchise Operations and Development. From August 2011 to May 2013, he was an independent business consultant based in Irvine, California offering advice to new business owners. From January 2011 to July 2011, Mr Beaty was Senior Director of Operations of Balboa Brands, Inc., a franchisor of juice bars and yogurt shops based in Irvine, California. From January 2009 to January 2011, he was an independent business consultant offering advice to new business owners.

Director of Certification Jennifer Miles

Ms Miles was named our Director of Certification in April 2012. From May 2008 to April 2012, she was an Instructor with the Simi Valley Cardio Barre franchise. Before that, Ms Miles was a Professional Dancer and Actress in Los Angeles, California.

Project Manager Matt Patterson

Mr Patterson was named our Project Manager in March 2013. He is a Core Power Yoga instructor trainer (since September 2013). Mr Patterson served as Owner, Operator and Project Manager of Avatar Property Services, Huntington Beach, California (from February 2010 to January 2015). He also serves as Property Manager of R I S Properties, Huntington Beach, California (since August 2005).

ITEM 3 LITIGATION

On July 28, 2016, we filed a Demand for Arbitration with JAMS, Inc., in Los Angeles, California, against our franchisee operating two Outlets in Utah (Cardio Barre Franchise LLC vs CrossReitz Group, LLC, Shantel Reitz, Megan Cross and Pamela Ford), requesting damages of at least \$33,466.90 resulting from the breaches by the respondents of their respective Franchise Agreements for filing to make required payments and abandoning the franchised locations. The respondents have not yet answered the Demand and we are seeking a default judgment against them.

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