

FRANCHISE DISCLOSURE DOCUMENT



CLUB PILATES[®]

Club Pilates Franchise, LLC
a Delaware limited liability company
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Club Pilates Franchise, LLC (“we,” “us,” or “our”) offers and awards franchises for the right to establish and operate a fitness studio (each, a “Studio”) that provides Pilates and other exercise classes utilizing (a) the proprietary marks we designate, including our current primary mark CLUB PILATES (the “Proprietary Marks”), (b) a designated package of Pilates and other exercise equipment our franchise offering expects and assume will be leased for use in connection with Studio operations (the “Exercise Equipment Package”), and (c) other proprietary components and information comprising the system of business operations we have developed for a Studio (our “System”).

The total estimated investment necessary to begin operations of a single franchised Studio ranges from \$179,100 to \$368,000. This amount includes \$100,100 to \$110,900 that must be paid to the franchisor or its affiliate prior to opening.

The total investment necessary to develop multiple Studios under our form of area 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 an area development agreement for the right to develop three (3) Studios ranges from \$254,100 to \$443,000, which includes (a) a development fee amounting to \$135,000 at the time you enter into an area development agreement with us, and (b) the total estimated initial investment to begin operation of your initial Studio (as described above)

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 Shaun Grove at Club Pilates Franchise, LLC, 17877 Von Karman Ave., Suite 100, Irvine, CA 92614, and at (949) 346-9794.

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. Information about comparisons of franchisors is available. 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. There may also be laws on franchising in your state. Call your state agency listed on **Exhibit B** or visit your public library for other sources of information on franchising.

THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS: APRIL 16, 2021.

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 Exhibits H and I.
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 Club Pilates 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 a Club Pilates franchisee?	Item 20 or Exhibits H and I list 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.

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