



D1 SPORTS FRANCHISE, LLC
A Tennessee limited liability company
7115 S. Springs Drive
Franklin, Tennessee 37067
(615) 778-1893
www.d1sportstraining.com
franchise@d1sportstraining.com

~~The franchise is the right and obligation to enter into an area development agreement to acquire three individual franchises to own and operate a training facility offering athletic-based scholastic and adult group training, coaching and personal training, and related products and services under the “D1” name and marks. We may elect to grant a franchise to own and operate a single training facility offering athletic-based scholastic and adult group training, coaching and personal training, and related products and services under the “D1” name and marks.~~

~~The total investment necessary to begin operation of each D1 training facility is estimated to be \$296,760 to \$313,560 to \$880,300 to \$1,350. This includes \$154,500 to \$168,500 to \$295,000 to \$184,000 paid to franchisor or its affiliates. The total investment necessary under the area development agreement is \$160,000. The entire investment under an area development agreement is paid to franchisor or 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 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 D1 Sports Franchise, LLC, 7115 S. Springs Drive, Franklin, Tennessee 37067, (615) 778-1893.

The terms of your contract will govern your franchise relationship. Don’t rely on this 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 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.

ISSUANCE DATE: ~~May 14~~ August 5, 2015 ~~2016~~

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 Exhibit A 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.

Please consider the following RISK FACTORS before you buy this franchise:

1. ~~THE AREA DEVELOPMENT AGREEMENT AND FRANCHISE AGREEMENT~~ **REQUIRES YOU TO RESOLVE DISPUTES WITH THE FRANCHISOR BY ARBITRATION OR LITIGATION ONLY WITHIN 50 MILES OF OUR THEN-CURRENT PRINCIPAL PLACE OF BUSINESS (CURRENTLY, FRANKLIN, TENNESSEE). OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH THE FRANCHISOR IN TENNESSEE, THAN IN YOUR HOME STATE.**

2. **THE FRANCHISE AGREEMENT STATES THAT TENNESSEE LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**

3. **IF YOU ARE A BUSINESS ENTITY, YOUR OWNERS WILL HAVE TO GUARANTY YOUR OBLIGATIONS AND BE BOUND BY THE PROVISIONS OF OUR FRANCHISE AGREEMENT. THE SPOUSES OF THE OWNERS MAY ALSO BE REQUIRED TO CONSENT TO THE GUARANTY, WHICH PLACES THE SPOUSES' MARITAL ASSETS AT RISK.**

4. **WE HAVE LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND OUR PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES.**

5. **THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM ~~\$296,760~~\$313,560 TO ~~\$880,300~~\$501,350. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF ~~APRIL 30~~DECEMBER 31, 2015, WHICH IS ~~\$426,932~~\$83,316.**

6. **WE HAVE A LIMITED FRANCHISE OPERATING HISTORY TO ASSIST A PROSPECTIVE FRANCHISEE IN DECIDING TO MAKE THIS INVESTMENT.**

7. **YOU MUST MAKE MINIMUM ROYALTY PAYMENTS, REGARDLESS OF YOUR SALES LEVELS AFTER YOUR FIRST YEAR IN BUSINESS. YOUR INABILITY**

TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.

8. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

STATE EFFECTIVE DATES

The following states require that the 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.

This disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

<u>California</u>	_____
<u>Illinois</u>	_____
<u>Indiana</u>	_____
<u>Maryland</u>	_____
<u>California</u>	June 3, 2015
<u>Illinois</u>	_____, 2015
<u>Indiana</u>	May 18, 2015
<u>Maryland</u>	_____, 2015
<u>Michigan</u>	May 18, 2015 / August 11, 2015 / 2016
<u>Minnesota</u>	_____
<u>New York</u>	_____
<u>North Dakota</u>	_____
<u>Rhode Island</u>	_____
<u>Minnesota</u>	August 27, 2015
<u>New York</u>	September 21, 2015
<u>North Dakota</u>	_____, 2015
<u>Rhode Island</u>	May 19, 2015
<u>South Dakota</u>	May 18, 2015 / August 11, 2015 / 2016
<u>Virginia</u>	_____
<u>Washington</u>	_____

D1 Sports Franchise, LLC
05-2015/2016 FDD

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