

SEP 0 5 2014

Dept of Business Oversight

## FRANCHISE DISCLOSURE DOCUMENT



DSF Franchising, LLC 633 South Plymouth Court Chicago, Illinois 60605 Tel (631) 896 1245 www.downsizefitness.com kishan@downsizefitness.com

The franchise offered is for the right to operate a "Downsize Fitness" franchised business offering fitness, nutrition, and weight loss coaching services and related products utilizing the proprietary system for Downsize Fitness Weight Loss Centers

The total investment necessary to begin operation of a Downsize Fitness Weight Loss Center franchise ranges from \$150,200 to \$199,450 This amount includes \$44,500 to \$47,000 that must be paid to the franchisor or its affiliate. If you want development rights, you generally must pay us a development fee equal to \$35,000 (the initial franchise fee for the first Downsize Fitness Weight Loss Center) plus a deposit of \$17,500 for each additional Downsize Fitness Weight Loss Center you will develop (See Item 5 and Item 7 for more detailed information)

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 Kishan Shah, Chief Executive Officer, at 633 Plymouth Court, Chicago, Illinois, 60605, and (631) 896 1245 and kishan@downsizefitness.com

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 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 of this Franchise Disclosure Document September 5, 2014

DSF Franchising LLC Downsize Fitness Weight Loss Centers – 2014 FDD CHI 65024868v6



## 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 A</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

Please consider the following RISK FACTORS before you buy this franchise

- THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE CERTAIN DISPUTES WITH US BY ARBITRATION OR LITIGATION IN THE METROPOLITAN AREA OF OUR PRINCIPAL BUSINESS ADDRESS (CURRENTLY, CHICAGO, ILLINOIS) OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN THE STATE OF OUR PRINCIPAL BUSINESS ADDRESS (CURRENTLY, ILLINOIS) THAN IN YOUR OWN STATE
- THE FRANCHISE AGREEMENT REQUIRES THAT ILLINOIS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS
- WE WERE FORMED IN JUNE 2014 AS A RESULT, WE ONLY HAVE A BRIEF OPERATING HISTORY TO ASSIST YOU IN DETERMINING WHETHER OR NOT TO MAKE THIS INVESTMENT
- 4 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Effective Date See the next page for state effective dates

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## DSF FRANCHISING, LLC 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

This Franchise 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

State	Effective Date
California	, 2014
Hawaii	, 2014
Illinois	, 2014
Indiana	September 5, 2014
Maryland	, 2014
Michigan	September 5, 2014
Mınnesota	, 2014
New York	, 2014
Virginia	, 2014
Washington	, 2014
Wisconsin	September 5, 2014

In all other states, this Franchise Disclosure Document's effective date is the issuance date of September 5, 2014

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