

FRANCHISE DISCLOSURE DOCUMENT



Fit 36, Inc.
(a Delaware corporation)
9092 South Ridgeline Boulevard, Suite A
Highlands Ranch, Colorado 80129
(877) 663-0880
www.fit36fitness.com

Fit 36, Inc., offers franchises for the operation of studios under the name “Fit 36” offering group fitness training and any related future services and products. The total investment necessary to begin operation of a Fit 36 studio ranges from ~~\$131,550~~121,250 to ~~\$267,200~~264,300. This includes \$32,399 to \$52,399 that must be paid to the franchisor or affiliate.

This ~~d~~Disclosure ~~d~~Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this ~~d~~Disclosure ~~d~~Document and all accompanying agreements carefully. You must receive this ~~d~~Disclosure ~~d~~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 ~~d~~Disclosure ~~d~~Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Fit 36 Legal Department at 9092 S. Ridgeline Blvd., Suite A, Highlands Ranch, CO 80129 (877) 663-0880.

The terms of your contract will govern your franchise relationship. Don’t rely on the ~~d~~Disclosure ~~d~~Document alone to understand your contract. Read all of your contract carefully. Show your contract and this ~~d~~Disclosure ~~d~~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 (“FTC”). 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. (See Exhibit E.)

Issuance date: ~~October~~March 30, 20142015

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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 E 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. ~~1.~~ THE FRANCHISE AGREEMENT REQUIRES THAT ALL DISAGREEMENTS AND DISPUTES BE SETTLED BY BINDING ARBITRATION OR LITIGATION IN THE STATE IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS CURRENTLY LOCATED, WHICH IS CURRENTLY DENVER, COLORADO. 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 US IN OUR HOME STATE RATHER THAN IN YOUR HOME STATE.
2. ~~2.~~ COLORADO LAW GOVERNS THE FRANCHISE AGREEMENT AND THE RELATIONSHIP BETWEEN US AND YOU. THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. ~~3.~~ IF YOU ARE A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY, OR OTHER BUSINESS ENTITY, YOUR DIRECT AND INDIRECT OWNERS WILL HAVE TO GUARANTEE YOUR OBLIGATIONS AND BE BOUND BY THE PROVISIONS OF OUR FRANCHISE AGREEMENT. YOUR SPOUSE MUST SIGN A GUARANTY CONSENTING TO ENCUMBER THE MARITAL ASSETS. THIS GUARANTY PLACES YOUR SPOUSE'S MARITAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.
4. YOU WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$121,250 TO \$264,300. THIS AMOUNT MAY EXCEED OUR STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2014, WHICH IS \$244,789.
5. WE ARE A DEVELOPMENT-STAGE COMPANY (FORMED ON JUNE 25, 2014) THAT HAS ONLY JUST BEGUN TO OFFER FRANCHISES. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER TO MAKE THIS INVESTMENT.
6. WE DO NOT HAVE A FEDERAL REGISTRATION FOR OUR PRINCIPAL TRADEMARK. THEREFORE, OUR TRADEMARK DOES NOT HAVE AS MANY LEGAL BENEFITS AND RIGHTS AS A FEDERALLY REGISTERED TRADEMARK. IF OUR RIGHT TO USE THE TRADEMARK IS CHALLENGED, YOU MAY HAVE TO CHANGE TO AN ALTERNATIVE TRADEMARK, WHICH MAY INCREASE YOUR EXPENSES.

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7. WE HAVE ELECTED THE REASONABLE BUSINESS JUDGMENT STANDARD IN OUR RELATIONSHIP WITH FRANCHISEES. THIS MEANS WE ARE NOT REQUIRED TO CONSIDER YOUR PARTICULAR ECONOMIC OR OTHER BUSINESS INTERESTS WHEN EXERCISING OUR JUDGMENT.

8. 4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates

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