

## FRANCHISE DISCLOSURE DOCUMENT FIT KIDS AMERICA FRANCHISING, LLC

(a California limited liability company)
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Received LA Mailroom

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Department of Business Oversight



We offer for sale a franchise that enables you to conduct sports, fitness and recreation programs, including classes and leagues, for elementary and middle school aged children in facilities provided by schools or organizations that desire to make such programs available. Payment for participation in the programs may be paid by schools, organizations or by participants. Fit Kids America Franchising, LLC, may sell equipment, uniforms or supplies to you at reasonable prices.

The total investment necessary to begin operation of a Fit Kids America<sup>™</sup> franchised business ranges from \$6,455 to \$39,850. This amount includes an Initial Franchise Fee ranging from \$5,000 to \$30,000, which must be paid to the Franchisor, and an estimated \$150 to \$1200 for opening inventory and apparel which must be paid to the Franchisor or an Affiliate. The amount of the Initial Franchise Fee will differ based on the number of schools in your territory.

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain English. Read this disclosure document and all 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 any affiliate in connection with the proposed franchise sale. You must also receive completed copies of all contracts at least five days before you sign them. Note, however, that no governmental agency has verified the information contained in this document.

If you wish to receive your disclosure document in another format that is more convenient for you, please contact Harold Gambill at 2725 Jefferson St, Suite 11, Carlsbad, CA 92008, hal@fitkidsamerica.org or by telephone at (760) 730-1115, to discuss the availability of different formats.

The terms of your contract will govern your franchise relationship. Do not 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 complicated investment. The information contained in this disclosure document can help you make up your mind. More information on franchising, such as "A Co nsumer'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 <a href="www.ftc.gov">www.ftc.gov</a> 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 21, 2019.

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## STATE COVER PAGE

Your state many have a franchise law that requires a franchisor to register with a state franchise administrator before offering or selling franchises 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 the attached 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 FRANCHISE AGREEMENT REQUIRES YOU TO LITIGATE OR ARBITRATE ANY DISPUTE WITH FIT KIDS AMERICA FRANCHISING, LLC, ARISING UNDER THE TERMS OF THE FRANCHISE AGREEMENT IN SAN DIEGO COUNTY, CALIFORNIA, WHERE THE PRINCIPAL OFFICE OF FIT KIDS AMERICA FRANCHISING, LLC, IS CURRENTLY LOCATED. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE OR LITIGATE WITH FIT KIDS AMERICA FRANCHISING, LLC, IN SAN DIEGO COUNTY, CALIFORNIA THAN IN YOUR HOME STATE. THIS MAY BE SUPERSEDED BY STATE LAW. SEE YOUR SPECIFIC STATE ADDENDUM, IF ANY, ATTACHED TO THIS FRANCHISE DISCLOSURE DOCUMENT.
- 2. IF YOU BUY AND OPERATE THIS FRANCHISE, YOU WILL BE COACHING AND TEACHING YOUNG CHILDREN. BECAUSE YOU WILL TYPICALLY BE OPERATING ON SCHOOL GROUNDS, AND WORKING WITH YOUNG CHILDREN, WE WILL HOLD YOU AND YOUR EMPLOYEES TO VERY HIGH STANDARDS FOR PERSONAL CONDUCT. IF YOU FAIL TO UPHOLD THESE STANDARDS, YOUR FRANCHISE WILL BE TERMINATED.
- 3. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE FRANCHISE AGREEMENT. SEE YOUR SPECIFIC STATE ADDENDUM, IF ANY, ATTACHED TO THIS FRANCHISE DISCLOSURE DOCUMENT.
- 4. YOU SHOULD REVIEW ANY RIDERS OR ADDENDA ATTACHED TO THIS DISCLOSURE DOCUMENT FOR ANY STATE-SPECIFIC DISCLOSURES REGARDING FRANCHISE LAWS. AS A CONDITION OF REGISTRATION, CERTAIN STATE-SPECIFIC LAWS AND REQUIRED DISCLOSURES MAY SUPERSEDE THE PROVISIONS OF THIS DISCLOSURE DOCUMENT.
  - 5. 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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## STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document ("FDD") be registered or filed with the state, or be exempt from registration: California, Hawaji, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This FDD 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	

In all other states, the effective date of this disclosure document is the issuance date of May 21, 2019.

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