

FRANCHISE DISCLOSURE DOCUMENT

Stroller Strides, LLC
A Delaware Limited Liability Company
1850 Diamond Street, Suite 102
San Marcos, CA 92078
866-348-4666
franchise@fit4mom.comfranchise@FIT4MOM.com
www.fit4mom.com

The franchisee will operate a FitFIT4MomMOM® business which offers pre- and postnatal exercise classes to mothers at all stages of motherhood. You may, but are not required to, offer for sale related retail products with the "Fit4MomFIT4MOM" trademarked logo. We offer a Fit4MomFIT4MOM® franchise under two different models – a ClassicLite Franchise model and a Business Developmentor a Classic Franchise model.

The total investment necessary to begin operation of a <u>Lite Franchise is from \$2,359 to \$15,690</u>. This includes \$2,149 to \$2,949 that must be paid to us or an affiliate. A Classic Franchise is from \$5,559 to \$18,140. This includes \$5,349 to \$5,399 that must be paid to us or an affiliate. The total investment necessary to begin operation of a Business Development Franchise is from \$31,250 to \$51,790. This includes \$25,000 that must be paid to us or an affiliate. 5,604 to \$18,185. This includes \$5,394 to \$5,444 that must be paid to us or an affiliate.

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 our Franchise Development Team at 1850 Diamond Street, Suite 102, San Marcos, CA 92078 and 866-348-4666.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire 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.

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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 IT 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. AS OF DECEMBER 31, 2014, THE FRANCHISOR HAD ONLY \$35,187 IN CURRENT ASSETS AND HAD \$224,748 IN CURRENT LIABILITIES. THIS MEANS THAT FOR EVERY \$1.00 OF LIABILITIES DUE WITHIN ONE YEAR THE FRANCHISOR HAD ONLY \$.16 IN CURRENT ASSETS.
- 2. PER THE AUDITED BALANCE SHEET, THE FRANCHISOR HAD A NET WORTH DEFICIENCY OF \$-252,980.
- 3. 4. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN CALIFORNIA. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN CALIFORNIA RATHER THAN IN YOUR OWN STATE.
- 4. 2. THE FRANCHISE AGREEMENT REQUIRES THAT CALIFORNIA 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.
- 3. AS OF DECEMBER 31, 2013, THE FRANCHISOR HAD A DEFICIT NET WORTH OF \$264,596.
 - 5. YOU MUST PAY US A MINIMUM ROYALTY FEE OF \$149 to \$299 EACH MONTH, EVEN IF THE FRANCHISE HAS NO REVENUE. THESE FEES MAY INCREASE ANNUALLY.
 - 6. WE AND OUR AFFILIATES MAY ESTABLISH OTHER CHANNELS OF DISTRIBUTION AND SELL OR DISTRIBUTE ANY PRODUCT OR SERVICE TO THE GENERAL PUBLIC WITHIN THE PROTECTED AREA OF THE FRANCHISE, UNDER THE SAME AND/OR DIFFERENT TRADEMARK, IN COMPETITION WITH YOUR FRANCHISE.
 - 7. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$5,604 TO \$18,185 FOR A CLASSIC FRANCHISE AND



\$2,359 TO \$15,690 FOR A LITE FRANCHISE. THIS AMOUNT EXCEEDS FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2014, WHICH IS \$(252,980).

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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