

## FRANCHISE DISCLOSURE DOCUMENT



F19 Franchising, LLC  
A California limited liability company  
42072 5<sup>th</sup> Street, Suite 203  
Temecula, CA 92592  
(951) 302-7405

The franchise offered is to operate a fitness club under the name "Fitness 19®."

The total investment necessary to begin operation of a Fitness Club ranges from \$613,690 to \$961,992. This includes \$20,000 that must be paid to the 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 Laura Wilson at F19 Franchising, LLC, 42072 5<sup>th</sup> Street, Suite 203, Temecula, California 92590.

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 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](http://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: April 16, 2012**

## 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 FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION EXCLUSIVELY IN ORANGE COUNTY, CALIFORNIA OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN ORANGE COUNTY, CALIFORNIA THAN IN YOUR OWN STATE

2 YOU ARE NOT GRANTED AN EXCLUSIVE TERRITORY UNDER THIS FRANCHISE

3. THE FRANCHISE AGREEMENT REQUIRES YOU TO INCUR CAPITAL EXPENSES TO COMPLY WITH CHANGES TO SYSTEM STANDARDS IF WE REASONABLY BELIEVE THE CHANGES ARE NECESSARY FOR THE PROTECTION OF PUBLIC HEALTH OR SAFETY, OR TO ENABLE THE FITNESS CLUB TO COMPLY WITH APPLICABLE LAWS IF, IN EACH CASE, YOU HAVE A REASONABLE PERIOD OF TIME DURING THE TERM TO AMORTIZE THOSE EXPENSES OR WE AGREE TO EXTEND THE TERM ACCORDINGLY

4. IF THE FRANCHISE AGREEMENT IS TERMINATED FOR YOUR BREACH, WE ARE ENTITLED TO COLLECT THE MONTHLY FEES WE WOULD HAVE COLLECTED FOR THE REMAINDER OF THE TERM AS THOUGH THE AGREEMENT HAD NOT TERMINATED.

5. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$613,690 TO \$961,992. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2011, WHICH IS \$491,947

6 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See next page for state effective dates.

## 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:

California \_\_\_\_\_, 2012

Maryland \_\_\_\_\_, 2012

Virginia \_\_\_\_\_, 2012

Washington \_\_\_\_\_, 2012

In all other states that do not require registration, the effective date of this disclosure document is the issuance date of April 16, 2012

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