

FRANCHISE DISCLOSURE DOCUMENT



Legion Transformation Franchising, LLC
a Delaware limited liability company
250 Corporate Boulevard, Suites G & H
Newark, Delaware 19702
Phone: 1-800-LEGION1
Email: info@legionfranchise.com
www.legionfranchise.com

We offer qualified individuals and entities a franchise for the right to independently own and operate a fitness center (each, “Center”) that provides proprietary boot-camp style fitness challenge programs utilizing our then—current proprietary marks, including our current primary mark LEGION TRANSFORMATION (collectively, the “Proprietary Marks”) and the system of business operations developed by us and our principal (the “System”). We also offer qualified parties the right to develop multiple Centers within a given geographical area we designate and in accordance with an- agreed-upon and mandatory development schedule.

The total investment necessary to begin operation of a single Center ranges from \$122,810 to \$197,755. This includes \$58,249 to \$61,249 that must be paid to us or our affiliates.

The total investment necessary to operate multiple Centers under our form of area development agreement depends on the number of franchises we grant you the right to open. The total investment necessary to enter into a development agreement for the right to develop three (3) Centers is \$142,810 to \$217,755, which includes (i) the \$60,000 development fee that is paid to us prior to opening, and (ii) the estimated initial investment to begin operation of your initial Center. The development fee is based on the number of franchised Centers we award you the right to develop and is calculated as follows: (i) \$40,000 for the initial Center; plus (ii) \$10,000 for the second and each additional Center you are required to develop within under your development agreement with us (each, an “Additional Center”)

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 Administration team at 250 Corporate Boulevard, Suites G & H, Newark, Delaware 19702 or 1-800-LEGION1.

The terms of your contract will govern your franchise relationship. Do not 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-FTCHELPHelp 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 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 AND DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION (AT OUR OPTION) OR LITIGATION ONLY IN DELAWARE. OUT OF STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE AND/OR LITIGATE WITH US IN DELAWARE THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT REQUIRE THAT DELAWARE 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. IF FRANCHISEE IS AN INDIVIDUAL, THEN FRANCHISEE'S SPOUSE MUST SIGN A PERSONAL GUARANTY MAKING YOUR SPOUSE JOINTLY AND INDEPENDENTLY LIABLE FOR THE FINANCIAL OBLIGATIONS UNDER THE AGREEMENT. THIS GUARANTY PLACES YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.
4. IF THE FRANCHISEE IS A BUSINESS ENTITY, THEN EACH OF THE ENTITY'S OWNERS AND, AT OUR OPTION, THEIR RESPECTIVE SPOUSES MUST SIGN A PERSONAL GUARANTY. ALL PERSONS THAT SIGN A PERSONAL GUARANTY MUST PERSONALLY GUARANTEE, AND BE PERSONALLY BOUND BY, EACH OF THE FRANCHISEE'S OBLIGATIONS UNDER THE FRANCHISE AGREEMENT AND, IF APPLICABLE, AREA DEVELOPMENT AGREEMENT. THOSE SIGNING THE PERSONAL GUARANTY WILL ALSO PUT THEIR PERSONAL ASSETS AT RISK.

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 make sure to do your own investigation of the franchise.

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