

## FRANCHISE DISCLOSURE DOCUMENT

### PEAK FRANCHISING, INC.

a California corporation  
210 W. Taft Ave.  
Orange, California 92865  
(714) 456-0700  
receptionist@maxmuscle.com  
www.maxmuscle.com

Peak Franchising, Inc., a California corporation, is offering franchises for the use of the trademark “MAX MUSCLE®” and related trademarks and service marks, for the operation of retail outlets that offer proprietary ~~sports nutrition~~ nutritional supplements, proprietary nutraceuticals, and assorted other products that are common in the body-building, health, and fitness, ~~and sports-nutrition~~ industry (“**Max Muscle Franchise**”). Peak Franchising, Inc. is also offering to select qualified persons the opportunity to acquire the exclusive right to develop multiple Max Muscle Stores in a designated Development Area. The Development Area will be established based on the consumer demographics of the Development Area, geographical area, city, county or other boundaries.

The total investment necessary to begin operation of a single Max Muscle franchised business is \$146,500 to \$296,700. This includes \$109,500 to \$180,700 that must be paid to the franchisor and its affiliates.

If you sign an Area Development Agreement, you will pay an Initial Franchise Fee of \$35,000 for the first Max Muscle Store and then a Franchise Agreement Execution Fee equal to \$2,500 for each subsequent Max Muscle Store. Upon signing the Area Development Agreement, you will pay an Area Development Fee based on the total number of Max Muscle Stores you commit to develop. The Area Development Fee ranges from \$32,500 per Max Muscle Store for a two store Area Development Agreement to \$18,500 per Max Muscle Store for an Area Development Agreement requiring the development of nine or more Max Muscle Stores. Therefore, the total investment necessary for your first Max Muscle Store is \$130,000 to \$286,700, of which \$93,000 to \$180,700 must be paid to the franchisor and its affiliates and the total investment necessary for any subsequent Max Muscle Store varies based on the total number of Max Muscle Stores you commit to develop.

This disclosure document summarizes certain provisions of your 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 days before you sign a binding agreement, or make any payment in connection with the proposed franchise sale or grant. **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 the Contracts Administrator at 210 W. Taft Ave., Orange, California 92865 and (714) 456-0700.

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. Information comparing franchisors is available. Call your state agency or your public library for sources of information. 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 FTC. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://www.ftc.gov) for additional information.

There may also be laws on franchising in your state. Ask your state agencies about them.

The issuance date: **December 19, 2012**, ~~2012~~, 2013

## 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:

THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN CALIFORNIA EXCEPT FOR CERTAIN DISPUTES, WHICH MUST BE LITIGATED IN 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 CALIFORNIA THAN IN YOUR OWN STATE.

THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT CALIFORNIA LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

YOU MUST PURCHASE A MINIMUM LEVEL OF PRODUCTS MONTHLY FROM OUR AFFILIATE AT THEIR SET PRICES, EVEN IF THE INVENTORY IS NOT NEEDED. THIS REQUIREMENT RESTRICTS YOUR ABILITY TO ACQUIRE A CHEAPER SUPPLIER AND TO COMPLETE WITH OTHER MERCHANTS, WHICH COULD IMPACT YOUR GROSS REVENUE.

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.

Please see the following effective date page for effective dates in registration states.

**PEAK FRANCHISING, INC.**  
**FRANCHISE DISCLOSURE DOCUMENT EFFECTIVE DATES**  
**IN DESIGNATED STATES**

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 Franchise Disclosure Document is registered, on file, exempt from registration, or otherwise effective in the following states with franchise registration and disclosure (or business opportunity\*) laws as of the dates listed:

California	Effective date:	December 26, 2012, as amended March 28, 2013
Florida*	Effective date:	October 21, 2013
Hawaii	Effective date:	January 2, 2013
Illinois	Effective date:	January 4, 2013
Indiana	Effective date:	January 20, 2013
Kentucky*	Effective Date:	September 24, 2003*
Maryland	Effective date:	April 19, 2013
Michigan	Effective date:	December 28, 2012
Minnesota	Effective date:	January 7, 2013
Nebraska*	Effective date:	July 9, 2003*
New York	Effective date:	February 15, 2013
North Dakota	Effective date:	January 31, 2013
Rhode Island	Effective date:	January 4, 2013
South Dakota	Effective date:	December 26, 2012
Texas*	Effective date:	February 19, 2002*
Utah	Effective date:	December 23, 2012
Virginia	Effective date:	February 8, 2013
Washington	Effective date:	December 31, 2012
Wisconsin	Effective date:	December 28, 2012

In all other states, the Effective Date of this Disclosure Document is **December 19, 2012, 20, 2013.**

\* Denotes one-time filing

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