

FRANCHISE DISCLOSURE DOCUMENT



nutrition
by MAX MUSCLE®

PEAK FRANCHISING, INC
a California corporation
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Peak Franchising, Inc, a California corporation is offering a special incentive potential franchisees three options for acquiring a Max Muscle Franchise (1) an ownership extension franchise program (**Special Incentive Ownership Extension Program**) which is available to all current and prospective franchisees that purchase a Max Muscle Franchise before June 30 2016. If you choose to purchase a Max Muscle franchisees that are in good standing at the time they sign the Franchise after June 30 2016 you will be offered a Agreement (2) a conversion program (**Conversion Program**) to qualified operators of existing sports nutrition stores who are willing to convert their stores to Max Muscle Franchise under out-stores and (3) a standard franchise offering (**Standard Franchise Program**) for all other qualified franchise candidates. Under either program each of these programs, we will offer you the right to use the trademark "MAX MUSCLE®" and related trademarks and service marks for the development and operation of one or more additional retail outlets that offer proprietary nutritional supplements, proprietary nutraceuticals, and assorted other products that are common in the body-building, health and fitness 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 under the ~~Special Incentive Ownership Extension Program~~ or the ~~Conversion Program~~ is \$96,100 to \$246,300. This includes \$59,100 to ~~\$130,300~~ \$147,800 that must be paid to the franchisor and its affiliates. The total investment necessary to begin the operation of a single Max Muscle franchised business under the Standard Franchise Program is \$131,100 to \$281,300. This includes \$94,100 to \$165,300 that must be paid to 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 \$114,600 to \$271,300 of which \$77,600 to \$165,300 must be paid to the franchisor and its Affiliate 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-

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CA HI

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 for additional information

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

The issuance date ~~December 21, 2015~~ December 27, 2016

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 OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE 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 COMPETE 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.

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