

FRANCHISE DISCLOSURE DOCUMENT



**DAKOTA ONE FRANCHISING,
LLC**

a South Dakota limited liability
company
901 East 50th Street North,
Sioux Falls, South Dakota 57104
(605) 271-2670
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www.maxmuscle.com

Dakota One Franchising, LLC, a South Dakota limited liability company, is offering potential franchisees three options for acquiring a Max Muscle Franchise: (1) a multi-store royalty savings program franchise program (“**Multi-Store Royalty Savings Program**”) which is available to all current Max Muscle franchisees that are in good standing at the time they sign the Franchise 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 stores, and (3) a standard franchise offering (“**Standard Franchise Program**”) for all other qualified franchise candidates. Under 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 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**”). Dakota One Franchising, LLC. 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 Multi-Store Royalty Savings Program or the Conversion Program is \$93,500 to \$243,500. This includes \$56,500 to \$127,500 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 \$128,500 to \$278,500. This includes \$91,500 to \$162,500 that must be paid to franchisor and its affiliates.

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 901 East 50th Street North, Sioux Falls, South Dakota 57104 and (605) 271-2670.

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 for additional information.

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

The issuance date: **April 26, 2018**

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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN DENVER, COLORADO EXCEPT FOR CERTAIN DISPUTES, WHICH MUST BE LITIGATED IN SOUTH DAKOTA. 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 SOUTH DAKOTA THAN IN YOUR OWN STATE.

THE FRANCHISE AGREEMENT STATES THAT SOUTH DAKOTA 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 MAKE INVENTORY AND SUPPLY PURCHASES FROM OUR AFFILIATE OF AT LEAST \$4,500.00 A MONTH, BEGINNING ON THE 13TH MONTH OF OPERATION, EVEN IF YOU DO NOT NEED THAT MUCH. YOUR INABILITY TO MAKE THESE PURCHASES OR TO MAINTAIN INVENTORY LEVELS AT ALL TIMES MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.

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.

DAKOTA ONE FRANCHISING, LLC
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:	Not Registered
Florida	Effective date:	Not Registered
Hawaii	Effective date:	Not Registered
Illinois	Effective date:	Not Registered
Indiana	Effective date:	May 16, 2018
Kentucky*	Effective Date:	May 15, 2018
Maryland	Effective date:	Not Registered
Michigan	Effective date:	May 15, 2018
Minnesota	Effective date:	Not Registered
Nebraska*	Effective date:	May 14, 2018
New York	Effective date:	Not Registered
North Dakota	Effective date:	Not Registered
Rhode Island	Effective date:	Not Registered
South Dakota	Effective date:	Not Registered
Texas*	Effective date:	June 13, 2018
Utah	Effective date:	Not Registered
Virginia	Effective date:	Not Registered
Washington	Effective date:	Not Registered
Wisconsin	Effective date:	Not Registered

In all other states, the Effective Date of this Disclosure Document is **April 26, 2018**.

* Denotes one-time filing

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