

FRANCHISE DISCLOSURE DOCUMENT



MaxOut Domestic Franchising, LLC
519 Main Street, Suite C
Royersford, Pennsylvania 19468
(610) 792-9700
www.MaxOutStrengthSystems.com

We offer franchises for the establishment, development, and operation of a MaxOut Strength Studio (a “MaxOut Strength Studio” or “Franchised Business”) focused on providing a multi-faceted mind, body and soul training development program, which includes proprietary, counter weight towers (“MaxOut Towers”) that integrate with traditional exercise machines and enable weight variations for both the down (eccentric) and up (concentric) portion of every repetition.

The estimated initial investment required for the establishment of a MaxOut Strength Studio franchised business ranges from \$251,000 to \$437,000, which includes \$174,000 to \$213,000 that must be paid to us or our affiliates prior to opening.

We also offer qualified individuals the right to operate multiple MaxOut Strength Studios under an Area Development Agreement. The total investment necessary to begin operating an “Area Development Business” will vary depending upon the number of MaxOut Strength Studios you are obligated to open in your designated territory (the “Development Area”). The total estimated initial investment to begin operation of the first MaxOut Strength Studio under an Area Development Agreement where you commit to opening three MaxOut Strength Studios ranges from \$326,000 to \$512,000, which includes \$249,000 to \$288,000 you must pay to us or our affiliates prior to opening.

This disclosure document summarizes certain provisions of your Franchise Agreement, Area Development 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 corporate office at 519 Main Street, Suite C, Royersford, Pennsylvania 19468, or via telephone at (610) 792-9700.

The terms of your Franchise Agreement and Area Development Agreement will govern your franchise relationship. Don’t rely on the disclosure document alone to understand your contracts. Read all of your contracts carefully. Show your contracts 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

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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.

The Issue Date of this Franchise Disclosure Document (“FDD”) is: **January 20, 2015.**

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 to this Franchise Disclosure Document for information about the franchisor, about other franchisors, 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. **AT OUR OPTION, THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION ONLY IN MONTGOMERY COUNTY, PENNSYLVANIA. OUT-OF-STATE MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE WITH US IN PENNSYLVANIA THAN IN YOUR OWN STATE.**
2. **ANY DISPUTES WITH US NOT SUBJECT TO MEDIATION MUST BE RESOLVED BY LITIGATION IN MONTGOMERY COUNTY, PENNSYLVANIA. IT MAY COST YOU MORE TO LITIGATE WITH US IN PENNSYLVANIA THAN IN YOUR OWN STATE.**
3. **THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT THEY ARE GOVERNED BY PENNSYLVANIA LAW. THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
4. **IF THE FRANCHISEE IS A BUSINESS ENTITY, EACH SHAREHOLDER/PARTNER/MEMBER/MANAGER OF FRANCHISEE AND THEIR RESPECTIVE SPOUSES MUST EXECUTE A PERSONAL GUARANTY. THIS PLACES THE PERSONAL ASSETS OF EACH INDIVIDUAL AND THEIR SPOUSE AT RISK.**
5. **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

We may 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 is our agent and 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.

[Effective Dates in the Registration States are Listed on the Following Page.]

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