

FRANCHISE DISCLOSURE DOCUMENT



Gym Consulting, LLC
a California limited liability company
d.b.a. My Gym Enterprises
15300 Ventura Boulevard, Suite 523
Sherman Oaks, California 91403
Telephone: (818) 907-6966
info@my-gym.com
www.my-gym.com

The franchisee will establish, develop and operate a center in a building (a "Fixed Center") and/or a business providing services and products to places like schools and day care centers (a "Mobile Business") (collectively and individually, a "My Gym Business"), which emphasizes children's physical education by teaching pre-gymnastics, tumbling, fine and gross motor skills, sports skills, group interactive activities (including games and relays) and stretching, in a bright and cheery atmosphere using a warm and caring staff.

The total investment necessary to begin operation of a Large Model Fixed Center franchise ranges from \$184,400 to \$277,200. This includes \$57,500 that must be paid to the franchisor or affiliate, and up to an additional \$54,500 that may be required to be paid to the franchisor or affiliate. The total investment necessary to begin operation of a Small Model Fixed Center franchise ranges from \$111,700 to \$168,700. This includes \$26,250 that must be paid to the franchisor or affiliate and up to an additional \$42,500 that may be required to be paid to the franchisor or affiliate. The total investment necessary to begin operation of a Mobile Business franchise ranges from \$36,750 to \$79,250. This includes \$25,000 that must be paid to the franchisor or affiliate, and up to an additional \$4,000 that may be required to be paid to the franchisor or affiliate.

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 calendardays 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 convenience for you. To discuss the availability of disclosures in different formats, contact Michael Chalovich, Gym Consulting, LLC, at 15000 Ventura Boulevard, Suite 523, Sherman Oaks, California 91403 and 818-907-6966 ext. 116.

The terms of your contract will govern your franchise relationship. Don't 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 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 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.

Issuance Date: June 26, 2019



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 <u>Exhibit D</u> 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 PERMITS THE FRANCHISEE TO MEDIATE, ARBITRATE OR LITIGATE ONLY IN CALIFORNIA. OUT OF STATE MEDIATION, ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE OR LITIGATE IN CALIFORNIA THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT THE LAW OF CALIFORNIA 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. YOU MUST MAKE INVENTORY PURCHASES OF AT LEAST \$8,000 FOR A FIXED CENTER AND \$4,000 FOR A MOBILE BUSINESS EACH YEAR 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.
- 4. IF YOU HAVE A MOBILE UNIT, YOU MUST MAKE MINIMUM ROYALTY CONTRIBUTIONS REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THESE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.
- 5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See next page for the applicable state effective dates.



EFFECTIVE DATES

The following states require that the Franchise 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 or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

STATES	EFFECTIVE DATE
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

In all other states, the effective date of this Franchise Disclosure Document is the issuance date June 26, 2019.

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