


FRANCHISE DISCLOSURE DOCUMENT

<p>RED EFFECT INTERNATIONAL FRANCHISE, LLC a Michigan limited liability company 23600 Michigan Ave. Dearborn, MI 48124 Phone: (833) 227-5671 Email: info@redefectfitness.com Website: www.redefectfitness.com</p>	
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The franchisor offers three fitness franchise concepts. One concept (a Standard Studio) offers members access to fitness classes that combine infrared therapy and high intensity heart-rate based interval training in a group setting and may include up to two additional training programs (kickboxing, cycling, or yoga and barre). The second concept (a Red Effect for Women Studio) offers circuit training for women only and many include one or more of the additional training programs. The third concept (an Executive Club) offers the interval training and all three of the additional training programs.

The total investment necessary to begin operation of a Standard Studio is from \$283,000 to \$723,000. This includes \$157,000 to \$594,000 that must be paid to the franchisor or its affiliates. If you enter into a Multi-Unit Addendum with us for Standard Studios (either a 3-Pack or a 10-Pack Multi-Unit Addendum), your initial investment will increase by the additional amount of the total initial franchise fees for the number of Standard Studio franchises you commit to develop (\$45,000 in additional fees for the 3-Pack and \$205,000 in additional fees for the 10-Pack). The total investment necessary to begin operation of a Red Effect for Women Studio is from \$149,500 to \$354,200. This includes \$101,750 to \$228,500 that must be paid to the franchisor or its affiliates. If you enter into a Multi-Unit Addendum with us for Red Effect for Women Studios (either a 3-Pack or a 10-Pack Multi-Unit Addendum), your initial investment will increase by the additional amount of the total initial franchise fees for the number of Red Effect for Women Studio franchises you commit to develop (\$45,000 in additional fees for the 3-Pack and \$205,000 in additional fees for the 10-Pack). The total investment necessary to begin operation of an Executive Club is from \$863,500 to \$1,042,500. This includes \$479,000 to \$873,000 that must be paid to the franchisor or its affiliates. If you enter into a Multi-Unit Addendum with us for Executive Clubs (we only offer a 3-Pack for Executive Clubs), your initial investment will increase by the additional amount of the total initial franchise fees for the additional two Executive Club franchises you commit to develop (\$75,000 in additional fees).

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 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 to you. To discuss the availability of disclosures in different formats, contact Mr. Allie T. Mallad at the address and phone number listed above.

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 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 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.

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How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Exhibits K and L.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit M includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Red Effect business in my area?	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What’s it like to be a Red Effect franchisee?	Exhibits K and L list current and former franchisees. You can contact them to ask about their experiences
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/red-effect-infrared-fitness>