

FRANCHISE DISCLOSURE DOCUMENT



Spenga Holdings LLC
a Delaware limited liability company
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Franchisor currently offers qualified parties a franchise for the right to independently own and operate a fitness studio that (a) features and provides exercise equipment and machines, fitness training services, and logoed merchandise, and (b) operated utilizing certain proprietary marks (including SPENGA) and a business operations system developed and designated by Franchisor (each, a “Studio”).

The total investment necessary to begin operation of a single Studio ranges from \$304,082 to \$705,027. This includes \$49,500 that must be paid to the franchisor and/or its affiliates, as applicable. Please see Items 5 and 7 for additional information.

Franchisor also offers qualified parties the right to own and operate multiple Studios within a defined development area. The total investment necessary to begin developing multiple Studios under an area development agreement with us will vary based on the number of Studios you are granted the right to develop. The total initial investment necessary to own and operate three (3) Studios within a development area ranges from \$374,082 to \$775,027, which includes (i) a development fee amounting to \$119,500 that is payable to us prior to opening, and (ii) the estimated initial investment to open your initial Studio as required by your development agreement.

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, us or an affiliate in connection with the proposed franchise sale. **Note, however, that no government 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 Franchise Fastlane, at (531) 333-3278 and spengaleads@franchisefastlane.com, or at 14707 California Street, #5, Omaha, Nebraska 68154.

The terms of your contract will govern your franchise relationship. Don’t rely on the Disclosure Document alone to understand your contract. Read your entire 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, DC 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information on franchising. 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: April 29, 2020.

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 Item 20 or Exhibit J. |
| 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 C 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 Spenga 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 franchise 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 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. |

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