

## FRANCHISE DISCLOSURE DOCUMENT



Sweat440 Franchise Systems, LLC
A Florida limited liability company
1800 Purdy Avenue
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Miami Beach, Florida 33139
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888-979-1457
www.sweat440.com

Sweat440 Franchise Systems, LLC offers individual and multiple unit franchises for the operation of membership-driven fitness studios that combine the motivational mindset of small group training with the convenience of workout times that best suit each individual (the "Studio").

The total investment necessary to begin operation of a Studio is from \$254,900 to \$561,900. This includes between \$84,500 to \$106,000 that must be paid to us or our affiliates. If you sign a Multi-Unit Development Agreement, you must also pay us \$10,000 for each Studio you commit to develop.

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 for you. To discuss the availability of disclosures in different formats, contact Warren Fremeth at 1800 Purdy Avenue, Suite 1708, Miami Beach, Florida, franchising@sweat440.com, or 888-979-1457.

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 <a href="https://www.ftc.gov">www.ftc.gov</a> 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: July 1, 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  $\underline{\text{Exhibit E}}$  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 AND MULTI-UNIT DEVELOPMENT AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN THE STATE WHERE OUR CORPORATE HEADQUARTERS ARE LOCATED, CURRENTLY FLORIDA. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATION WITH US IN FLORIDA THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT FLORIDA LAW 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. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates



## STATE EFFECTIVE DATES

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 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:

State	Effective Date	
California		
Maryland		
New York		
Virginia		

In the states listed below, the effective date (and issuance date) of this disclosure document is July 1, 2019.

Alabama	Iowa	New Mexico
Alaska	Kansas	Ohio
Arizona	Louisiana	Oklahoma
Arkansas	Maine	Oregon
Colorado	Massachusetts	Pennsylvania
Connecticut	Mississippi	South Carolina
Delaware	Missouri	Tennessee
District of Columbia	Montana	Texas
Florida	Nevada	Vermont
Georgia	New Hampshire	West Virginia
Idaho	New Jersey	Wyoming

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