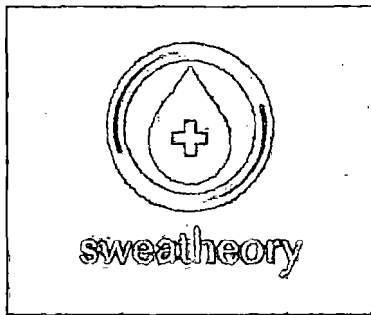


MAR 11 2019

Department of
Business Oversight



FRANCHISE DISCLOSURE DOCUMENT

SWEATHEORY GROUP, LLC

A California limited liability company

1503 North Cahuenga Boulevard

Los Angeles, California 90028

(310) 956-2307

info@sweattheory.com

www.sweattheory.com

Sweattheory Group, LLC, a California limited liability company, offers franchises for the operation of Sweattheory health and fitness businesses ("Sweattheory Studios") that offer innovative yoga and other exercise classes conducted in unique and distinctive infrared heated studios, infrared sauna therapy sessions, medicinal vitamin injections, intravenous vitamin infusions and other detoxifying and rejuvenating treatments designed to achieve weight loss, skin purification, improved circulation and relaxation, under the trade name and service mark "Sweattheory." We offer the rights for our Single Health Studio Programs and our Area Development Program in this Disclosure Document.

Single Health Studio Programs. We will grant you the right to operate one Sweattheory Studio offering one or more of the following services:

- 1) **Yoga & Fitness Services** consisting of individual and group yoga and fitness classes in our unique and distinctive infrared heated studios. The total investment necessary to begin operations of one Sweattheory Studio offering Yoga & Fitness Services ranges from approximately \$192,545 to \$408,105. This includes \$75,000 to \$125,000 that must be paid to us or our affiliates.
- 2) **Sauna Therapy Services** consisting of sauna therapy sessions, crystal and reiki healing, card readings and other holistic treatments in our custom FAR infrared saunas. The total investment necessary to begin operations of one Sweattheory Studio offering Sauna Therapy Services ranges from approximately \$367,545 to \$618,105. This includes \$115,000 to \$135,000 that must be paid to us or our affiliates.
- 3) **Vitamin Services** consisting of medicinal vitamin injections, intravenous vitamin infusions and ultrasonic cavitation, if you and we agree, in addition to either Sauna Therapy Services or Yoga & Fitness Services at your Sweattheory Studio. The total investment necessary to begin operations of one Sweattheory Studio offering Yoga & Fitness Services and Vitamin Services is approximately \$207,545 to \$428,105 which includes \$75,000 to \$115,000 that must be paid to us or our affiliates. The total investment necessary to begin operations of one Sweattheory Studio offering Sauna Therapy Services and Vitamin Services is approximately \$382,545 to \$638,105 which includes \$85,000 to \$135,000 that must be paid to us or our affiliates.
- 4) **Yoga & Fitness Services and Sauna Therapy Services**, if you and we agree. The initial investment necessary to begin operations of one Sweattheory Studio offering both Yoga & Fitness Services and Sauna Therapy Services is approximately \$407,545 to \$698,105 which includes \$155,000 to \$215,000 that must be paid to us or our affiliates.
- 5) **Yoga & Fitness Services, Sauna Therapy Services, and Vitamin Services**, if you and we agree. The total investment necessary to begin operations of one Sweattheory Studio offering these services is approximately \$417,545 to \$713,105 which includes \$165,000 to \$230,000 that must be paid to us or our affiliates.

Area Development Program. Under the Area Development Program, we will assign you a defined area within which you must develop and open 2 or more Sweathery Studios within a specified period of time. The total investment necessary to begin operations under an Area Development Agreement to develop 2 to 3 Sweathery Studios ranges from approximately \$192,545 to \$713,105 for your first Sweathery Studio. This includes between \$85,000 and \$230,000 that must be paid to us or our affiliates.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read the 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 payments to the Franchisor 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 Olivia Doneff, 1503 North Cahuenga Boulevard, Los Angeles, California 90028; Telephone (310) 956-2307; oliviadoneff@sweathery.com.

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, DC 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.

THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS MARCH 6, 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 THIS FRANCHISE WITH A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed on Exhibit K 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 THIS FRANCHISE, 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 AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH SWEATHEORY GROUP, LLC BY MEDIATION AND LITIGATION ONLY IN LOS ANGELES COUNTY, CALIFORNIA. OUT OF STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO PARTICIPATE IN MEDIATION AND LITIGATION WITH SWEATHEORY GROUP, LLC IN CALIFORNIA THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT CALIFORNIA LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTEE MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. THE GUARANTEE WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.
4. THIS NEW FRANCHISOR HAS BEEN IN BUSINESS FOR SUCH A SHORT PERIOD OF TIME THAT ITS FRANCHISES ARE A HIGHER RISK INVESTMENT THAN FRANCHISORS WITH A LONGER-TERM OPERATING HISTORY.
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 represents us, not you. We may 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.

SEE THE NEXT PAGE FOR STATE EFFECTIVE DATES

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