



THE DAILEY METHOD®

**FRANCHISE DISCLOSURE DOCUMENT**  
**TDM FRANCHISE COMPANY, LLC**  
**A California Limited Liability Company**  
**1599 SIR FRANCIS DRAKE BLVD., #C**  
**FAIRFAX, CALIFORNIA 94930**  
**415-713-8440**  
[www.thedaileymethod.com](http://www.thedaileymethod.com)

TDM Franchise Company, LLC, offers franchises for exercise studios that offer a distinctive, effective and safe program for strengthening and stretching the major muscle groups in the body which combines ballet barre work, core conditioning, stretching and orthopedic exercises known as the "Dailey Method". We offer 3 franchise programs:

**Single Studio Program.** Under this program, you will sign a Franchise Agreement to operate one Dailey Method Studio at a site that we approve that you purchase or lease, customize and equip. The total investment necessary to begin operations of one Dailey Method Studio is approximately \$274,550 to \$639,400, which includes \$37,000 to \$39,400 for each Dailey Method Studio that must be paid to us.

**Area Development Program.** Under this program, you will sign an Area Development Agreement under which we will assign you a defined area within which you must develop and operate a specified number of Dailey Method Studios within a specified period of time. The total investment necessary to begin operations of 2 - 3 Dailey Method Studios under an Area Development Agreement is approximately \$286,500 to \$662,900 per Franchised Business, which includes \$47,000 to \$59,400 that must be paid to us.

**Dailey Cycle Program.** Under this program, you will sign a Franchise Agreement and a Dailey Cycle Addendum to the Franchise Agreement which will grant you the right to operate one Dailey Method Studio at a site that we approve that you purchase or lease, customize and equip and that will offer bicycle spinning classes at the Dailey Method Studio. The total investment necessary to begin operations of one Dailey Method Studio with a Dailey Cycle Business is \$413,050 to \$992,400 which includes \$51,000 to \$55,400 that must be paid to us.

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 Jill Dailey, 1599 Sir Francis Drake Blvd., #C, Fairfax, California 94930, (415) 713-8440.

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](http://www.ftc.gov) for additional information. Call your state agency listed on **Exhibit F** 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 AUGUST 9, 2018.**

## 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 F** 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 AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND ARBITRATION ONLY IN SAN FRANCISCO, CALIFORNIA. OUT OF STATE MEDIATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE AND ARBITRATE WITH TDM FRANCHISE COMPANY, LLC, IN CALIFORNIA THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT THE LAW OF THE STATE IN WHICH THE FRANCHISOR HAS ITS PRINCIPAL PLACE OF BUSINESS (WHICH IS CURRENTLY CALIFORNIA) 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 SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, EVEN IF YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS (PERHAPS INCLUDING YOUR HOUSE) AT RISK IF YOUR FRANCHISE FAILS.

4. THE FRANCHISOR'S FINANCIAL CONDITION AS REFLECTED IN ITS FINANCIAL STATEMENTS (See Item 21) CALLS INTO QUESTION THE FRANCHISOR'S FINANCIAL ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU.

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

**Effective Dates: See the Next Page for State Effective Dates**

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