

FRANCHISE DISCLOSURE DOCUMENT



MAX Franchising, LLC
 a New Jersey limited liability company
 1030A Campus Drive West
 Morganville, New Jersey 07751
 Telephone: (732) 520-4475
 Email: info@themaxchallenge.com
 Home page: www.themaxchallenge.com

The franchisee will provide ten-week fitness programs in a specially designed format.

The total investment necessary to begin operation of The Max Challenge® franchised transformation center is ~~\$112,694~~131,868 to ~~\$212,769~~280,592. This includes ~~\$44,544~~43,500 to ~~\$45,919~~44,500 that must be paid to the franchisor or affiliate.

The total investment necessary to begin operation under an Area Development Agreement ranges from ~~\$184,444~~195,618, to ~~\$276,519~~344,342 (for an Area Development Agreement requiring the development and operation of 3 Centers). This includes ~~\$108,294~~ to ~~\$109,679~~107,250 to ~~\$108,250~~ (\$40,000 for the First Center, plus \$33,500 for the second Center, plus \$30,250 for the third Center; plus the other initial fees payable to us for your first Center as disclosed in Item 5, namely, the Opening Inventory Package) that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all 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 or grant. **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 forms, contact Bryan Klein, CEO, MAX Franchising, LLC at 1030A Campus Drive West, Morganville, New Jersey 07751 or (732) 520-4475.

The terms of your contract will govern your franchise relationship. Do not 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 "Buying a Franchise: A Consumer Guide," 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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| FDD 04292017, as amended 08/03/2017

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 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION, ARBITRATION AND LITIGATION ONLY IN NEW JERSEY. OUT OF STATE MEDIATION, ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE, ARBITRATE OR LITIGATE WITH MAX FRANCHISING LLC IN NEW JERSEY THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT NEW JERSEY LAW GOVERNS THIS AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. YOU MUST MAKE MINIMUM ROYALTY AND ADVERTISING PAYMENTS, REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.
4. YOUR SPOUSE MUST SIGN A PERSONAL DOCUMENT, SUCH AS A GUARANTEE, WHICH THAT MAKES YOUR SPOUSE LIABLE/LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. THIS GUARANTEE WILL PLACE EVEN IF YOUR SPOUSE DOES NOT OWN ANY PART OF THE FRANCHISE BUSINESS. BOTH OUR/YOU AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK, INCLUDING YOUR HOUSE, COULD BE LOST IF YOUR FRANCHISE FAILS.
5. ~~THIS FRANCHISOR IS AT AN EARLY STATE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE COULD BE A HIGHER RISK INVESTMENT THAN A SYSTEM WITH A LONGER OPERATING HISTORY.~~
65. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$112,694 to \$212,769. THIS AMOUNT EXCEEDS THE FRANCHISOR'S MEMBER'S EQUITY AS OF DECEMBER 31, 2016, WHICH IS AN ACCUMULATED DEFICIT OF \$442,730.

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