

FRANCHISE DISCLOSURE DOCUMENT



A Virginia Limited Liability Company of 13996 Park East Circle, Sure 104
Chantilly, Virginia 2015

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www.topkickonline.com

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As a franchisee, you will operate a business primarily engaged in the instruction and training of martial arts to individuals of all ages under the TopKick tradename and using innovative TopKick programs and techniques.

For start-up locations, the total investment necessary to begin operation of a TKMA, LLC franchised business is between \$105,500 and \$261,700. This includes \$15,000 or \$30,000 that must be paid to TKMA or its affiliates for start-up locations, depending on whether you already own a franchised TopKick Studio.

For conversion locations, the total investment necessary to begin operation of a TKMA, LLC franchised business is between \$33,500 and \$150,700. This includes \$1,500 or \$22,500 that must be paid to TKMA or its affiliates for conversion locations, depending on what type of a martial arts studio you own.

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, TKMA, LLC or an affiliate in connection with the proposed franchise sale. Note, however, that no government agency has verified the information 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 John Cassidy at 13996 Park East Circle, Suite 104, Chantilly, Virginia 20151, 703-865-4965.

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, 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.

ISSUANCE DATE: July 29, 2014



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 "M" 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 ARBITRATION OR LITIGATION ONLY IN FAIRFAX COUNTY, VIRGINIA. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN VIRGINIA THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT VIRGINIA 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. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$105,550 \$261,700. THIS AMOUNT EXCEEDS THE FRANCHISOR'S MEMBER'S EQUITY AS OF DECEMBER 31, 2013 WHICH IS REPORTED AS \$19,664.
- 4. THE FRANCHISOR HAS NOT REGISTERED, OR FILED FOR REGISTRATION, WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE THE MARK THAT IS DISCLOSED ON THE FTC COVER PAGE.
- 5. IF YOU DEFAULT UNDER THE FRANCHISE AGREEMENT FOR ONE OF YOUR TOPKICK LOCATIONS, SUCH THAT FRANCHISOR OR ONE OF FRANCHISOR'S AFFILIATES HAS THE RIGHT TO TERMINATE SUCH AGREEMENT OR SUCH AGREEMENT AUTOMATICALLY TERMINATES, FRANCHISOR HAS THE RIGHT TO TERMINATE YOUR RIGHTS TO OPERATE ALL OF YOUR TOPKICK LOCATIONS.
 - 6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

See the following state effective date summary page for state effective dates.



TKMA, LLC STATE EFFECTIVE DATES

MARYLAND	File Number FR20104344 Effective Date:
VIRGINIA	File Number 4681 Effective Date:

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