

FRANCHISE DISCLOSURE DOCUMENT

WORLD GYM INTERNATIONAL, LLC

A Delaware limited liability company
1901 Avenue of the Stars, Suite 1100
Los Angeles, California 90067
Telephone (800) 544-7441
Email: info@worldgym.com
URL: <http://www.worldgym.com>



The franchised business is a fitness facility providing fitness training and equipment, related services and sale of nutritional items, exercise apparel and accessories.

We have two franchise models. One model is a larger, traditional “Full Service Facility” that offers a full array of fitness related programs. The second model is a smaller “Studio Facility” that offers more focused programs.

The total initial investment is \$451,000 to \$1,795,000 for a new Full Service Facility and \$260,000 to \$818,000 for a new Studio Facility.

The total investment necessary to convert a typical existing facility to a Full Service Facility is \$42,000 to \$165,000.

These amounts include \$25,000 (\$22,500 if you are eligible for a 10% military discount under the International Franchise Association’s VetFran Program) that must be paid to the franchisor or its affiliate(s).

We may sell rights to qualified individuals or entities to develop multiple franchised facilities (including either or both Full Service Facilities and Studio Facilities) in a single, exclusive development territory. A multi-unit developer pays a development fee equal to \$12,500 (\$11,225 if you are eligible for a military discount under the International Franchise Association’s VetFran Program) multiplied by the total number of facilities the developer commits to developing under the area development agreement. The total investment necessary varies based on the number of facilities to be developed.

If you elect to sign an area development agreement to develop between three and five Facilities, your total initial investment for a single Facility (as noted above) will increase between \$25,000 (for a three unit deal) and \$50,000 (for a five unit deal). These increased costs would be 10% less if you qualify for a military discount. These estimated costs do not include the cost of establishing each of the subsequent Facilities to be opened under the area development agreement.

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 payments 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 World Gym International, LLC at 1901 Avenue of the Stars, Suite 1100, Los Angeles, California 90067, (800) 544-7441.

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, such as 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 may 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 <http://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: March 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 Exhibit A 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 OR ARBITRATION ONLY IN CALIFORNIA. OUT-OF-STATE MEDIATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IF YOUR STATE IS NOT CALIFORNIA. IT MAY ALSO COST YOU MORE TO MEDIATE OR ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE IF YOUR STATE IS NOT CALIFORNIA.
2. YOU DO NOT RECEIVE ANY EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM ANY FACILITY THAT WE OR ANY OF OUR AFFILIATES OWNS OR OPERATES, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT WE CONTROL.
3. YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN THOUGH 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. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Dates (See next page)

FDD: 2019-03-30

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