

FRANCHISE DISCLOSURE DOCUMENT

WORLD GYM INTERNATIONAL, LLC

A Delaware limited liability company
2618 San Miguel Drive, Suite 286
Newport Beach, California 92660
Telephone (800) 544-7441
Email: info@worldgym.com
URL: <http://www.worldgym.com>



As a World Gym franchisee, you will operate a fitness facility providing fitness training and equipment, related services and sale of nutritional items, exercise apparel and accessories.

The initial investment necessary to begin operation of one new World Gym Facility ranges from \$456,000 to \$1,800,000.

The initial investment necessary to convert one typical existing facility to a Facility ranges from \$42,000 to \$170,000.

These amounts include \$30,000 (\$27,000 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 in a single, exclusive development territory. A multi-unit developer pays a development fee equal to \$15,000 (\$13,500 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 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 \$30,000 (for a three unit deal) and \$60,000 (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.

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For example, if the developer signs an area development agreement to develop and open three to five World Gym Facilities, the developer's total investment necessary to begin operation of its first World Gym Facility ranges from \$486,500 to \$860,000. This includes \$15,000 that must be paid to the franchisor for each franchise purchased (\$45,000 for three Facilities and \$75,000 for five Facilities).

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, 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 2618 San Miguel Drive, Suite 286, Newport Beach, California 92660, (800) 544-7441, info@worldgym.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, 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: May 8, 2020

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit H (Current Franchisees) and Exhibit I (Former Franchisees).
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking:	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only World Gym business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor has a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a World Gym franchisee?	Item 20 and Exhibits H and I list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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