

# FRANCHISE DISCLOSURE DOCUMENT



CycleBar Franchising, LLC  
An Ohio limited liability company  
17877 Von Karman Ave., Suite 100  
Irvine, California 92614  
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[www.cyclebar.com](http://www.cyclebar.com)

CycleBar Franchising, LLC (“we,” “us,” or “our”) offers for sale a franchise to establish and operate a fitness studio that offers and provides indoor cycling classes/instruction and other related exercise classes under the proprietary marks we designate, which currently includes our primary mark CYCLEBAR the (each, a “Studio”).

The total investment necessary to begin operation of a single franchised Studio is \$319,150 to \$497,200. This includes \$153,500 that must be paid to the franchisor or its affiliates.

The total investment necessary to operate multiple Studios under our form of area development agreement depends on the number of franchises we grant you the right to open. The total investment necessary to enter into a development agreement for the right to develop three Studios is \$394,150 to \$572,650 which includes (a) a development fee of \$135,000 that is paid to us or our affiliates prior to opening, and (b) the total estimated initial investment to begin operation of your initial Studio (as described above). The Development Fee is calculated as follows: (i) \$100,000 for right to develop two franchised Studios; (ii) \$45,000 per Franchised Business if you agree to open and operate between three and five Franchised Business; (iii) \$40,000 per Studio if you agree to open and operate between six and nine Franchised Businesses; and (iv) \$35,000 per Franchised Business if you agree to open and operate 10 or more Franchised Businesses.

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 Ryan Junk at CycleBar Franchising, LLC, 17877 Von Karman Ave., Suite 100, Irvine, California 92614, and at (949) 326-9764. 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. Information about comparisons of franchisors is available. 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](http://www.ftc.gov) for additional information. There may also be laws on franchising in your state. Call your state agency listed on Exhibit B or visit your public library for other sources of information on franchising.

Issuance Date: April 30, 2019, as amended June 3, 2019.

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2019 Franchise Disclosure Document

## 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 on Exhibit B 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, ARBITRATION AND LITIGATION IN THE STATE OF CALIFORNIA. OUT-OF-STATE MEDIATION, ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE, ARBITRATE OR LITIGATE IN CALIFORNIA THAN IN YOUR HOME STATE.**
2. **THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
3. **THE FRANCHISORS 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.**
4. **YOU MUST MAINTAIN MINIMUM SALES PERFORMANCE LEVELS. YOUR INABILITY TO MAINTAIN THESE LEVELS MAY RESULT IN LOSS OF ANY TERRITORIAL RIGHTS YOU ARE GRANTED, TERMINATION OF YOUR FRANCHISE, AND LOSS OF YOUR INVESTMENT.**
5. **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

*We use the services of one or more **FRANCHISE BROKERS** or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should make sure to do your own investigation of the franchise.*

**Effective Date: See the next page for state effective dates.**

### STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Documents be registered or filed with the state or be exempt from registration: California, Florida, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington and Wisconsin. This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

STATE	EFFECTIVE DATE
CALIFORNIA	Pending Registration
FLORIDA	January 9, 2019
HAWAII	Pending Registration
ILLINOIS	Pending Registration
INDIANA	Pending Registration
KENTUCKY	EFFECTIVE
MARYLAND	Pending Registration
MICHIGAN	EFFECTIVE
MINNESOTA	Pending Registration
NEBRASKA	EFFECTIVE
NEW YORK	Pending Registration
NORTH DAKOTA	Pending Registration
RHODE ISLAND	Pending Registration
SOUTH DAKOTA	Pending Registration
TEXAS	EFFECTIVE
UTAH	EFFECTIVE
VIRGINIA	Pending Registration
WASHINGTON	Pending Registration

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