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April 28, 2025

Ryan Buonamia
Commerce Analyst 1
Minnesota Department of Commerce
85 – 7th Place East, Suite 280
St. Paul, MN 55101-2198

VIA ELECTRONIC FILING

Re: Response to Comment Letter for:
Fitness Together, LLC (the “Franchisor”)
File No. 4017

Dear Sir/Madam:

I am in receipt of your comment letter dated April 23, 2025. Attached is a revised franchise seller form. We have made the requested changes, including a change requested by another state, and have submitted the changed pages electronically.

If you have any questions or comments, please feel free to contact me.

Very truly yours,

Elizabeth S. Dillon

ESD/mdr
Attachments

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James Franks, VP, Head of Franchise Growth

Mr. Franks has been our VP, Head of Franchise Growth since March 2025 in Denver, Colorado. From November 2019 to March 2025, Mr. Franks served as Vice President of Franchise Recruiting at Unleashed Brands – Unleashed Services LLC in Bedford, Texas.

ITEM 3. LITIGATION

Completed

Fitness Together Franchise, LLC v. Tiger Ventures, Inc.; Ballantyne Fitness Solutions, Inc.; Chavanne Scott; and Clifton Hellner (Case No. 1:24-cv-00606-GPG-SBP in the United States District Court for the District of Colorado, filed March 5, 2024). Franchisor filed a complaint against Defendants (former franchisees), bringing claims for breach of the franchise agreement, trade secret misappropriation, and trademark infringement. Franchisor sought a temporary restraining order and preliminary injunction, permanent injunction, compensatory damages, and attorneys' fees and costs. Before the Court could rule on the merits of the preliminary injunction, the parties stipulated to the entry of a permanent injunction preventing Defendants from operating a competitive business within a three-mile radius of their former or any current Fitness Together studio and from using Franchisor's trade secret information and trademarks. The parties entered into a confidential settlement agreement and mutual release, effective August 15, 2024, wherein Defendants agreed to pay Franchisor a total of \$48,000 plus annual interest. In exchange, Franchisor agreed to dismiss its claims with prejudice, which Franchisor did on September 10, 2024.

Todd Tantillo, TT Wash Park Fitness, Inc., and GT Fitness, Inc. v. Fitness Together Franchising Corp., Case No. 01-17-0000-5720 (American Arbitration Association). On January 25, 2017, Claimants, who were holdover franchisees and their principal, initiated an arbitration proceeding against Fitness Together seeking a declaration that the post-term covenants not to compete in two franchise agreements were invalid and unenforceable against them. Following an evidentiary hearing, the arbitrator issued a Final Declaratory Award on April 27, 2017. The arbitrator held that the covenants not to compete were valid and enforceable. The arbitrator further held that the one-year non-compete period under one of the agreements had expired. The District Court for the City and County of Denver, Colorado, confirmed the arbitrator's award on July 26, 2017.

Cassandra Ghaffar; Fahad Ghaffar; Optimum Paradigm (Garland), LLC; Brass & Rose Investments, LLC; Brass & Rose-Kyle, LLC; Optimum Paradigm Fairview, LLC; Optimum Paradigm Rockwall, LLC; And Optimum Paradigm Mckinney, LLC; v. Amazing Lash Franchise LLC, Wellness and Vitality Exchange ("WAVE"), WellBiz Brands, Inc., and Amazing Lash Studio Franchise LLC (JAMS Arbitration Case ID 34086, Denver, Colorado, filed on August 29, 2023). Claimants (current franchisees) sought declaratory judgments that all client information is Claimants' trade secret and the noncompete provisions in the franchise agreements are unenforceable. Claimants also brought claims for breach of contract related to the pricing, supply, and quality of eyelash products and ALF's termination of Claimants' franchise agreements. Claimants sought economic damages, rescission of the franchise agreements, treble damages, and attorneys' fees and costs. ALF also filed a counterclaim against Claimants, in which ALF sought declaratory judgments that ALF's termination of Claimants' franchise agreements was proper, ALF could enforce all post-termination provisions, and ALF owns all client information. On October 10, ~~2025~~2024, the arbitrator entered summary judgment in favor of ALF and against Claimants on certain of Claimants' claims and awarded ALF attorneys' fees and costs. On November 24, ~~2025~~2024, the parties entered into a confidential settlement agreement and mutual releases with respect to the remainder of the claims. As part of the settlement, Claimants agreed to pay ALF \$50,000 and ALF agreed to give Claimants nine months to sell or transfer Claimants' studios (Sale Window), with the option for ALF to exercise its right to purchase the studios for their fair market value

Minn Stat §604 113 sets a cap of \$30 on fees to be paid to us if any check, draft, electronic or otherwise, is returned for insufficient funds.

2. The following paragraph is added to the Disclosure Document:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. The following information is added to special risk factor section of the Franchise Disclosure Document.

Turnover Rate. During the last 3 years, a high percentage of franchised outlets (more than 21%) were terminated or not renewed. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

**ADDENDUM TO FITNESS TOGETHER FRANCHISE, LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK**

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

The following information is added to the cover page of the Franchise Disclosure Document.

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT F OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

The following is to be added at the end of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud,