

# A BEST-OF-BREED SWIMMING SCHOOL FRANCHISE





# OF ALL AGES AND SKILL LEVELS HOW TO SWIM

Hudson Valley Swim<sup>™</sup> is in business because SWIM LESSONS SAVE LIVES<sup>™</sup>! Hudson Valley Swim is dedicated to teaching students of all ages and skill levels how to swim. Some students are new to the water, some students enjoy the water but need to learn to swim, and some students need to first overcome their fear of the water. Whatever the reason, our Hudson Valley Swim Franchise Owners have a lesson program fine-tuned for each of these specific needs.

Our students progress through our program as they become proficient in the skills that are carefully laid out for each class level. At Hudson Valley Swim, class sizes are small and our instructors are very experienced, which differentiates our swim school program from other swim school franchises and provides an exceptional learning experience to our students. We pride ourselves on our customer service and flexibility towards meeting the needs of our customers and students. We do whatever we can to help students and parents reach their goals in a timely manner!



Hudson Valley Swim Franchise Owners operate a swimming school franchise business that offers six lesson programs:

- 1. Infant & Toddler Program (ages 6 months to 2 years)
- 2. Elementary Program (ages 3 years-6 years)
- 3. Youth Program (ages 7 years-12 years)
- 4. Teen & Adult Program (ages 13 years and older)
- 5. Competition Clinics (ages 5 years to 18 years)
- 6. Private Lessons & Special Needs (ages 3 years and older)

### **OUR MISSION**

The mission of Hudson
Valley Swim is to provide
a swim lesson program
to students of all ages and
abilities, from infants through
adults, with the goal to teach
students a healthy and safe
respect for the water and
to reduce incidents of
drownings in the regions
that we support.





# HUDSON VALLEY SWIM FRANCHISEES HELP SAVE LIVES!

A Hudson Valley Swim franchise can truly be a life saver. According to pediatrician Sarah Denny, MD, FAAP, and the lead author of American Academy of Pediatrics (AAP) guidance on Prevention of Drowning, "Drowning is the single leading cause of injury death for children ages 1 to 4, and it's one of the top causes of death for teens. In the summer, children often have more access to pools, lakes and other sources of water – all of which pose a drowning risk." Dr. Denny's statement is further substantiated by the Centers for Disease Control and Prevention. The CDC states that for children ages one to 14, drowning is the second leading cause of unintentional injury death in the U.S. after motor vehicle crashes.

Due to these alarming statistics, the AAP recommends, "All children and adults should learn to swim. Children can benefit from swimming lessons as young as age 1, but parents should gage their child's maturity, health concerns, water exposure and readiness to determine at what age to start swimming lessons." In addition, the AAP states that risk of drowning can be reduced by 88% if children participate in formal swimming lessons between the ages of 1-4.









# ABOUT HUDSON VALLEY SWIM

Hudson Valley Swim™ was founded in 2003 by our current owners in collaboration with one of the areas most experienced swim lesson instructors. Over time, our lesson program was fine-tuned to further meet the needs of students and includes best practices from the U.S. Swim School Association, the American Red Cross, USA Swimming, and our own extensive experience. Since our founding, we have helped nearly 100,000 children, teens, and adults become proficient swimmers.

In January 2022, we officially launched the Hudson Valley Swim franchise opportunity.

# Some of the key differences between Hudson Valley Swim and other swim lesson franchises include:

- We have the lowest royalty fee compared to other swim schools that offer a similar model, with no hidden fees.
   We are extremely dedicated to the success of our Franchise Owners and encourage them to expand into multiple pool facilities in their territory.
- We do not require you to build a pool to conduct swim lessons, which greatly reduces your capital expenditures, time-to-market, and operational costs. Instead, our Franchise Owners "partner" with swimming pools in their area to conduct swim lessons. Potential venues include fitness clubs and centers, hotels, schools, and sports club. We also have a national contract with Fitness International, Inc. to conduct Hudson Valley Swim classes at their locations. If you reside in an area that has an available LA Fitness® or Esporta® that operates a pool, we will assist you in obtaining access to it for conducting classes.
- We will NOT grant you a franchise until a suitable pool location has been identified!
- We do not require you to have any previous aquatics or swim lesson experience to own and operate a Hudson Valley Swim franchise. We provide guidance and assistance with the recruiting and interviewing process to help you identify suitable instructors.
- We offer a successful, duplicatable swim school franchise model that can be highly profitable.
- Franchisees work with our designated marketing consultant who will advise you regarding marketing programs that you will conduct in your area to attract students to your Hudson Valley Swim franchise business.



# **JEFF & JOAN GARTNER**Co-Owners

"A franchisee has to really view themselves as providing a critical service to their communities," said Jeff. "There's nothing more satisfying than watching or having a parent send a video of their kid who was afraid to even get in the water and then later working on stroke mechanics once they overcome their fear."





# WE SUPPORT OUR FRANCHISE OWNERS EVERY STEP OF THE WAY!

At Hudson Valley Swim<sup>™</sup>, we treat our Franchise Owners like they are a part of our family. We fully understand that a successful relationship is based on recognizing and supporting the needs of our Franchise Owners and committing the necessary time and resources to help them succeed. Our pledge is to provide you the highest levels of initial training and support, business operational knowledge, ongoing support, and respect as we work together to grow your Hudson Valley Swim franchise business.

Our initial franchise training program includes 52+ hours of classroom instruction and on-the-job training concerning every aspect of the Hudson Valley Swim franchise business, including pool location recruiting, advertising and marketing, our proprietary swim curriculum, student registration, class scheduling, customer service, and business operations.

You also receive the benefit of our team's extensive swim school experience. Simply put, our goal is to make your Hudson Valley Swim franchise ownership experience exceptional in all respects and we are fully committed to helping you achieve your goals and objectives.







# **HUDSON VALLEY SWIM IN THE NEWS!**



HV SWIM FRANCHISE LLC | PHONE: (888) 448-7946 | EMAIL: FRANCHISE@HVSWIM.COM | HVSWIM.COM



# THE ESTIMATED INITIAL FRANCHISE INVESTMENT

Hudson Valley Swim<sup>™</sup> is proud to offer the lowest initial investment range in the swim school franchise industry. Below are the estimated costs and expenses for a Hudson Valley Swim franchise. Please refer to Hudson Valley Swim Franchise Disclosure Document for additional information concerning the estimated initial investment.

Type of Expenditure	Low	High	Method of Payment	When Due	To Whom Payment is Paid
Initial Franchise Fee <sup>1</sup>	\$39,500	\$39,500	Lump Sum	When You Sign Franchise Agreement	Us
Additional Zip Code Fee (Optional) <sup>1</sup>	\$0	\$10,000	Lump Sum	When You Sign Franchise Agreement	Us
Travel Expenses for Initial Training <sup>2</sup>	\$2,000	\$6,000	As Incurred	As Incurred	Third Parties
Pool Rent (3 Months) <sup>3</sup>	\$3,000	\$9,000	As Incurred	As Incurred	Landlord or Us (Sublease Owner)
Lead Instructor Salary (If Needed - 3 Months) <sup>4</sup>	\$0	\$9,000	As Incurred	As Incurred	Third Parties
Inventory and Supplies <sup>5</sup>	\$1,000	\$3,000	As Incurred	As Incurred	Third Parties and Approved Suppliers
Licenses and Permits <sup>6</sup>	\$0	\$500	As Incurred	As Incurred	Government Agencies
Grand Opening Marketing Program (7 Months) <sup>7</sup>	\$21,000	\$21,000	As Incurred	As Incurred	Third Parties
Marketing Startup Package <sup>8</sup>	\$2,200	\$2,200	As Incurred	When Phone Number Obtained	Us
Facility Equipment Startup Package <sup>9</sup>	\$1,200	\$1,600	As Incurred	90 Days Prior to Opening	Us
Computer System	\$500	\$1,500	As Incurred	As Incurred	Third Parties
Office Supplies	\$500	\$1,000	As Incurred	As Incurred	Third Parties
Insurance (3 Months) <sup>10</sup>	\$3,000	\$5,000	As Incurred	As Incurred	Designated Insurance Company
Professional Fees <sup>11</sup>	\$750	\$2,000	As Incurred	As Incurred	Your Attorneys, Advisors, CPAs and other Professionals
Phone System (3 Months) <sup>12</sup>	\$90	\$150	As Incurred	As Incurred	Designated Phone Provider
Technology Fee (5 Months) <sup>13</sup>	\$1,000	\$1,000			Us
Customer Registration System Fee (3 Months) <sup>14</sup>	\$750	\$750	As Incurred	As Incurred	Third Parties
Additional Funds (3 Months) <sup>15</sup>	\$3,000	\$5,000	As Incurred	As Incurred	Third Parties
Total Estimated Initial Investment <sup>16</sup>	\$79,490	\$118,200			







# Hudson Valley

# THE ESTIMATED INITIAL FRANCHISE INVESTMENT

- (1) Franchise Fee. See Item 5 of the FDD for additional information about the Initial Franchise Fee.
- (2) **Travel Expenses for Initial Training.** We provide remote training for front and back office roles. Initial remote training is provided at no charge for up to three people as long as you attend the same training session. You may invite additional employees to attend the initial remote training program, but we reserve the right to charge you the then-current fee, currently \$500 per day for each additional individual attending the initial training program. We also provide in-person training for your Lead Instructor at one of our training centers in Newburgh, New York or Hopewell Junction, New York or at another location designated by us. You must pay for your Lead Instructor's airfare, meals, transportation costs, lodging and incidental expenses in attending inperson training.
- (3) **Pool Rent.** You will negotiate the Pool usage fees and security deposit when you enter into an agreement with the owner or operator of the Pool. Your actual costs may vary from our estimates due to location, demand and availability of other swimming pools in your Territory. This estimate provides for three months of payments and may also include a 1-month deposit. In cases where your pool is subject to a Master Facility License Agreement, you may need to pay HVSF directly.
- (4) **Lead Instructor.** You must hire an experienced aquatic professional to be your Lead Instructor (unless you will be the Lead Instructor). Your Lead Instructor must attend the initial on-site training at our designated facility. The figures provided in this estimate are for a salary range for the first three months of operating, but will depend on how soon in advance of your grand opening you hire them. It is unlikely that you will be hiring a Lead Instructor more than one month in advance of your grand opening, but they must successfully attend and complete initial training prior to your grand opening.
- (5) **Inventory and Supplies.** We require all franchisees to purchase certain opening supplies and inventory items, either from us or from third-party suppliers.
- (6) **Licenses and Permits.** You may be required to obtain business licenses from the local government agencies to operate your Hudson Valley Swim Business.
- (7) **Grand Opening Marketing Program.** You must spend at least \$3,000 per month on the required grand opening advertising campaign, beginning 1 month before and ending 6 months after the opening of your Hudson Valley Swim Business (for

at least 7 months) through our designated marketing vendor. Most of the advertising will be done through online platforms.



This package contains a Hudson Valley Swim table cover, rollup banner, glossy postcards, business cards, car magnets, flyers, yard signs, and other similar items. See Item 5 of the FDD for additional details.

# 9. Facility Equipment Startup Package.

This package contains the equipment you will need for your pool facility including kickboards, baby float mat, swim fins, swim lesson floor signs, and other similar items. See Item 5 of the FDD for additional details.

(10) **Insurance.** You must obtain and maintain insurance for your Hudson Valley Swim Business. Insurance costs may depend on policy limits, types of policies, nature and value of physical assets, revenue, number of employees, number of students, wages, square footage, location, business contents and other





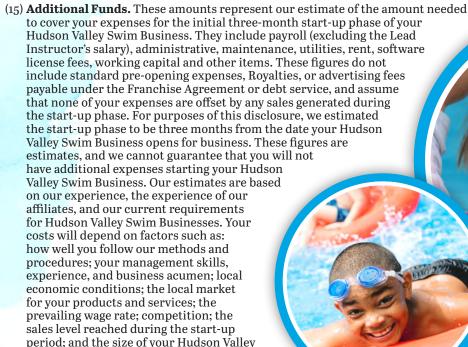




factors bearing on risk exposure. Additionally, a particular Pool may have their own independent insurance requirements. This estimate includes an annual installment paid before you open your Hudson Valley Swim Business, and well as 3 months of insurance premiums after your open your Hudson Valley Swim Business. All insurance plans must be obtained from our designated insurance broker. If you operate additional Hudson Valley Businesses through the same entity under an Area Development Agreement, you will only incur an additional \$500 in insurance expenses for each additional location.

- (11) Professional Fees. We recommend that you hire a lawyer, accountant or other professional to advise you on this Franchise offering and to assist you in setting up your Hudson Valley Swim Business. Rates for professionals can vary significantly.
- (12) Phone System. We will tell you which cloud-based phone service you must purchase and use for your Hudson Valley Swim Business. The estimate is for 1 to 2 phone lines. The system includes a virtual number which is used as the main telephone number for you Hudson Valley Swim Business. We may modify your phone system requirements from time to time in our sole discretion.
- (13) **Technology Fee.** You will pay a monthly technology fee to cover the software expenses that we incur to oversee your business. This includes items such as a single @hvswim.com email address, a single virtual @hvswim.com redirect address, a single Microsoft Office 360 license, our CRM system, and your website on our main webpage. It also includes the management module for the customer registration system. The fee may increase based on price increases that we incur. This estimate covers when you begin paying the Technology Fee approximately 2 months before opening your Hudson Valley Swim Business, and continuing for the 3 months after opening. This estimate assumes you will operate from a single Pool during your initial launch period.
- (14) Customer Registration System. The customer registration system has several modules that help operate your business. These modules include the class management, class enrollment, payment, email marketing and reporting. At our sole discretion, we may change registration system vendors which will likely have different pricing. The fee for the current Customer





(16) Figures May Vary. This is an estimate of your initial start-up expenses for one Hudson Valley Swim Business. You should review these figures carefully with a business advisor before making any decision to purchase the Franchise.

Swim Business.













# WHY OWN A HUDSON VALLEY SWIM FRANCHISE?

1. We are dedicated to being the best swim school franchise in the industry.

Our philosophy is simple - develop the most effective methodologies in the swim school franchise industry to provide comprehensive swim instruction to ensure every student remains safe in and around water.



The Hudson Valley Swim swimming school franchise model was developed based on our owners' many years of experience and constant innovation to develop a swim school franchise model that can be duplicated nationwide.

Hudson Valley Swim provides Industry leading operational efficiencies and capital-reducing protocols. Our Franchise Owners do not need to build a swimming pool or lease commercial office space to operate a successful swim school franchise.



Our management team is comprised of business professionals with a combined 75+ years of experience and they have been dedicated to Hudson Valley Swim since 2003.

4. We offer a "swimmingly good" franchise opportunity in a growing industry.

According to the Sports and Fitness Industry Association, the swim school market is estimated at \$17 billion with 50 million children in the U.S. under 12 years old. However, significantly less than \$1 billion of this market is currently served. This offers huge growth potential for our Franchise Owners.



Simply put, when our Franchise Owners succeed, Hudson Valley Swim does as well. As part of our Hudson Valley Swim franchise family, you receive comprehensive initial and ongoing assistance, training and support to help ensure your success.

Key features and benefits of the Hudson Valley Swim swimming school franchise opportunity include:

- Single-Unit and Area Developer (Multi-Unit) franchise opportunities
- Up to 52 hours+ of comprehensive classroom and on-the-job initial franchise training
- A comprehensive Franchise
   Operations Manual that provides information regarding every aspect of the Franchise Business
- Access to our designated online Student Registration & Class Scheduling System

- Pool site selection assistance and advisement
- Pool lease negotiation assistance
- Employee hiring and training
- Local advertising and marketing programs
- Social media assistance and advisement
- QuickBooks® accounting system
- Ongoing operational assistance and advisement in all aspects of the Franchise Business
- 6. A Hudson Valley Swim franchise is designed to be very profitable to operate.









# FREQUENTLY ASKED QUESTIONS

# Do you require any special qualifications to purchase a Hudson Valley Swim franchise?

We do not require any specific background or work experience to be considered for a Hudson Valley Swim™ franchise. In fact, we do not even require that our Franchise Owners be proficient in swimming! We are confident in our ability to train franchisees to successfully duplicate our business system and hire qualified instructors. Consequently, we are simply seeking individuals who possess good business acumen, a great work ethic, and are committed to following our successful system of operation.

# Do you permit Franchisees to purchase more than one Hudson Valley Swim franchise?

We offer an "Area Developer Program" for franchisees who desire to open multiple franchises. Area Developers receive an exclusive Area Development Territory in which they are permitted to open a specific number of Hudson Valley Swim franchises over an agreed time period. Area Developers also pay a discounted Franchise Fee of \$20,000 for their second franchise and each subsequent franchise they open.

### Do you permit absentee owners?

We permit semi-absentee owners who choose to hire a manager to manage the daily operation. However, Franchise Owners are responsible for overseeing the franchise business and being regularly involved, especially in the back-office operation. Both the Franchise Owner and their manager are required to successfully complete our initial training program. In addition, the Franchise Owner's lead swim instructor must successfully complete our 5-day Lead Instructor training program.

### How long does it take to open a Hudson Valley Swim franchise?

We estimate that the time required to open your franchise following the signing of the Franchise Agreement is 3-4 months. Factors that may affect this time include your ability to obtain any required business licenses and permits, your completion of initial training, selecting a pool (or pools) to conduct classes, and hiring your instructors.

### Do you offer a discount on the Franchise Fee to veterans?

Under our "Salute To Service" program, Franchisees that received an honorable discharge may receive a 20% discount off our Franchise Fee.

### Does Hudson Valley Swim offer financing?

We do not offer in-house financing; however, we can provide you contact information to a franchise funding company for you to contact to determine your qualification to obtain financing. Our franchise funding company offers SBA loans and IRA/401K retirement fund rollover programs, in addition to other programs.

# If I do not meet the minimum financial qualifications, am I permitted to partner with another individual who does?

Yes, provided your partner owns at least 50% of your Franchise Business.

### Do you grant protected franchise territories to Franchisees?

Yes. Each franchise territory includes a minimum population of 40,000 children ages 0-14.









# FREQUENTLY ASKED QUESTIONS

# What are your Royalty and Advertising Fees?

Our Royalty Fee is 8% of monthly gross sales. We do not currently charge a Media Fund or Brand Fund Fee although we have the right to implement one in the future. If we elect to implement a Media Fund or Brand Fund Fee in the future to promote Hudson Valley Swim on a regional or national basis, Franchise Owners will contribute up to 2% of their monthly gross revenue to the Fund.



Although visiting us is optional based on your preference, we believe a "Franchise Discovery Day" can be an important step in your evaluation process. A personal visit enables you to meet our team and experience a "day-in-the-life" of a Hudson Valley Swim firsthand, which includes touring a few of our locations.

### How much money can I earn from my Hudson Valley Swim franchise?

The Federal Trade Commission's Franchise Rule permits franchise companies to make "financial performance representations" (FPRs) in Item 19 of the FDD. We believe it is extremely important to do so as it helps prospective franchisees understand the financial aspects of our business. In Item 19 of our FDD, we provide an FPR that is based on affiliated locations in the Hudson Valley, NY area. The information will assist you in preparing a financial pro forma for your Hudson Valley Swim franchise.

# How do I receive a copy of your Franchise Disclosure Document?

We typically provide a copy of our Franchise Disclosure Document to prospective franchisees following our Franchise Webinar Presentation, which is the next step in our franchise process. If you would like to receive a copy of our Franchise Disclosure Document in advance of the presentation, we will ask that you complete our Preliminary Consideration Form and FDD Request Form, which enables you to select whether you would like to receive a hard copy or PDF file of the FDD.

### I'm interested in learning more. What are the next steps?

Please email or call us to schedule an initial call with our Franchise Development Manager, Nick Gartner, to learn more about Hudson Valley Swim and discuss any initial questions you may have. During our call, we will also discuss scheduling a time to share our Franchise Presentation with you. The Franchise Presentation allows us to take a deep dive into our franchise program and business model, including:

- The process of identifying and selecting swimming pools for conducting classes
- Recruiting and staffing
- Franchise training and support programs
- Technology solutions
- Our FDD Item 19 Financial Performance Representation, which includes financial information for our affiliated locations in the Hudson Valley, NY area
- Other important aspects of the Hudson Valley Swim franchise business









# FREQUENTLY ASKED QUESTIONS

### Additional steps in our franchise process include:

- 1. Competitive Analysis. During the Franchise Presentation, we will discuss the process of evaluating your market to determine the competitive nature of similar type businesses. This enables you and us to determine the potential of a Hudson Valley Swim franchise in your area.
- 2. Franchise Disclosure Document Review. Following the Franchise Presentation, we will provide you a copy of our Franchise Disclosure Document (FDD). Following your review, we will schedule a conference call to discuss any questions you may have.
- 3. Franchise Discovery Day. The next step in the process is to attend a Franchise Discovery Day. As noted above, while this is not required, it is highly suggested. A Discovery Day provides the opportunity for you to visit us in Orange County, NY to meet our team and experience Hudson Valley Swim first-hand. A Discovery Day is an extremely important part of the due diligence process as it enables you to experience a "day-in-the-life" of a Hudson Valley Swim Franchise Owner.
- 4. Franchisee Validation Calls. Following Discovery Day, we will introduce you to our current Franchise Owners to discuss their experiences as Hudson Valley Swim franchisees.
- 5. Franchise Application & Award of Franchise. The final step to becoming a Hudson Valley Swim swimming school franchisee is to complete our Franchise Application. Once we complete our review of your application and invite you to join our franchise network, we will provide you the Franchise Agreement for signing.



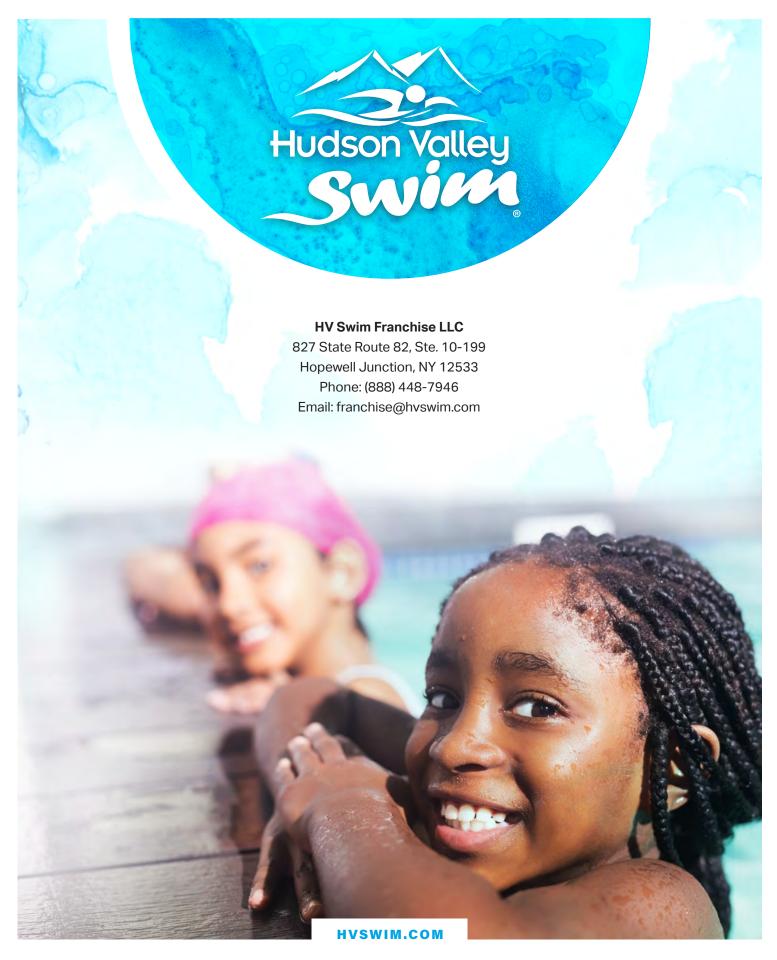












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