



THE BRAND AND
THE SYSTEM

OUR LEADERSHIP
AND OUR VISION

THE SUCCESS
PLATFORM

OPPORTUNITY
INVESTMENT



LICENSE PROSPECTUS

Red Dragon: The American Dream

With over 50 years of success and credibility plus a solid reputation for producing high quality students, Red Dragon Karate is Americas original mixed Martial Arts. Team up with us and learn how to turn your passion for the arts into a rewarding career you can be proud of.



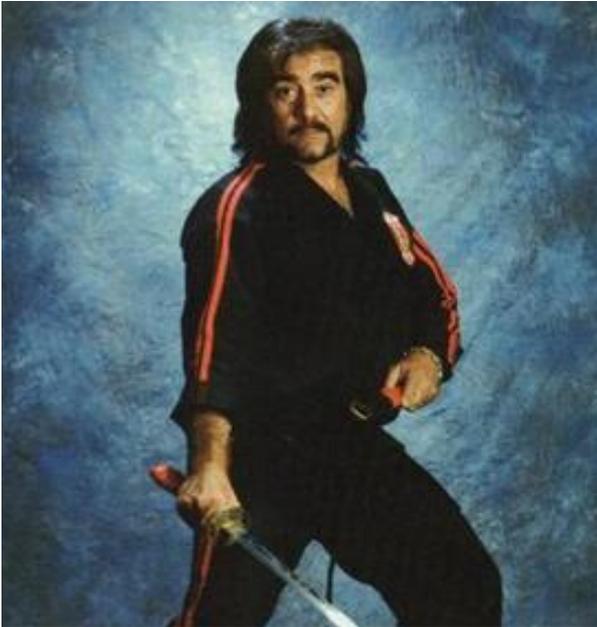
MORE INFORMATION:

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LOU CASAMASSA'S

RED DRAGON KARATE

An American Original



THE BRAND

Red Dragon is a true "American Original." Founded in 1965 by former U.S. Marine Corp military police officer and 10th degree black belt, Martial Arts Grand Master Louis D. Casamassa,

During the 1960's, he traveled throughout the land studying with a wide variety of masters in many different styles of martial arts.

He spent decades gaining knowledge, and wisdom along with a wealth of business information to enhance his ever expanding martial arts skill.

In keeping with Yankee ingenuity and American tradition he used the 7 best major martial art styles and combined them into one new, very powerful and effective style which is now known as the Red Dragon style of Martial Arts.



THE SYSTEM

The Red Dragon Karate program is unique because of our original approach at mixing the best martial arts styles. Today, we are widely considered the original "Mixed Martial Art,"

Red Dragon Karate continues to grow because of our focus on developing the best trainers and instructors who instill character based "Life Skills" in our students.

This teaching of self-discipline, self control, and self esteem when reinforced within the protocols of a Red Dragon studio, empower our members to become responsible, productive leaders in our community.

This incredible combination creates members who stay training with us for years instead of months. As a matter of fact, the average Red Dragon student stays training and active twice as long as the average martial arts student.





OUR LEADERSHIP

Red Dragon Karate offers quality training in an original style created by Grandmaster Louis D. Casamassa. His masterful methods of teaching allow our licensed owners the ability to easily and effectively train people of all age groups, genders, and skill levels.

We're led by industry expert and Martial Arts master Chris Casamassa, a 9th Degree Black Belt and son of Red Dragon's founder, He has devoted his life into perfecting his craft and constantly innovates by finding and implementing high-performance business systems that continue to pull the Red Dragon company forward into the future.

Using the core components and programs within the Red Dragon system, Chris has coached more than 100 independent martial arts school owners on ways they can grow from struggling businesses to stable and successful enterprises.

WE ARE DIFFERENT

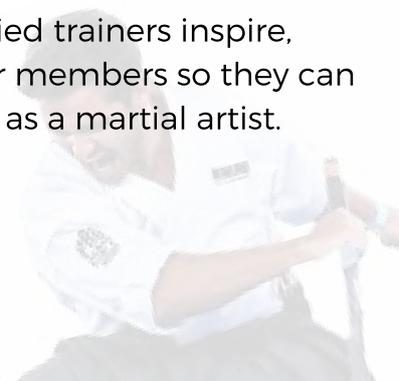
We believe everything we do should challenge the status quo. We believe in thinking differently. The way we challenge the status quo is by providing an exciting learning and training experience not available anywhere else.

The mission of Red Dragon is to provide a safe, fun and affordable martial arts school which gives the children and adults in our communities the opportunity to be involved in a positive atmosphere where they can learn to improve in mind, body and spirit.

We teach our members effective self defense skills and show them how to be confident and self-assured while they grow into mature responsible adults.

The Red Dragon Karate studio is a place of unity that empowers students of all ages to be their best.

Our Black Belt certified trainers inspire, coach and guide our members so they can improve themselves as a martial artist.





OUR MODEL

Red Dragon Karate has positioned itself to be the leading martial arts brand in the United States, and now is an excellent time to become a licensed school owner.

We focus on performance. Red Dragon has over 50 years of experience in teaching, training and inspiring our members and our licensees to reach their maximum level of success.

Red Dragon Karate is unique in the \$4 billion martial arts industry because of both our original martial art systems and our focus on financial performance.

We are one of the nation's leading investment opportunities in this attractive market segment, and our business model is designed to inspire and empower licensees to maximize unit profitability.

With our ongoing weekly martial arts training and business coaching our licensees are given the ability to effectively scale their business so they can continue to meet their financial goals.

YOUR SUCCESS

Building a profitable martial arts business has led us to design a successful model that is significantly more affordable than other martial arts, fitness and gym businesses.

Red Dragon Karate is a fast-paced, exciting sports/fitness business concept with cutting-edge programs comprised of true Martial Art workouts.

Red Dragon Karate is designed to be accessible to people with a passion for sharing how the martial arts can positively impact and change lives.

We feature the most affordable start up rates of any fitness segment license and we are among the top of the industry with helping our licensees gain maximum ROI on their investment.

When you team up with Red Dragon, you allow us to provide you with the opportunity to achieve the true American dream.





STRONG GROWTH

The Martial arts has never been more popular than it is today. Younger generations are seeking out martial arts as more than a hobby; they are looking to develop personal skills, and organized martial arts schools are struggling to meet demand.

Martial arts is front and center in popular culture – movies and other media. Every time Hollywood launches a new action franchise like The Avengers, Mortal Kombat, Batman or a Star Wars movie, audiences of all ages are witnessing martial arts en masse.

For young children, there are the heroes in Kung Fu Panda and Teenage Mutant Ninja Turtles to emulate on the playground. We're surrounded by martial arts everywhere, all the time.

The sport of UFC has become one of the most exciting sports of our time, with a growing audience of fans and millions of people paying to watch martial artists compete at the highest level.

THE TIME IS NOW

Interest in martial arts is at an all-time high. Popular culture is inundated with examples of martial artists, from the big screen to real life, leading new generations of people to the martial arts.

With the rise of bullying in public and online and the ever present dangers of society, more and more parents are turning to martial arts as a needed activity for their kids to stay safe.

The added benefit for parents is their kids are also learning, growing and developing their minds and bodies in a family friendly environment.

Upon approval and certification, all licensees receive the Red Dragon Karate owner training & operations manuals, which have our unique step by step approach for launching, running and maintaining a high quality, high performing business.





INSTRUCTOR TRAINING

During our instructor and staff training program, you will be taken through all the very important processes it takes to run your own business. All aspects of the Red Dragon Karate program are systemized to make it easy for you.

One of the most important parts of our system is the training and teaching of our members. Thousands of hours of trial and error over the years have resulted in a comprehensive teaching and coaching program that keeps licensees and instructors on the fast track for success. This is covered during our owners/licensee meetings and at ongoing instructor training colleges.

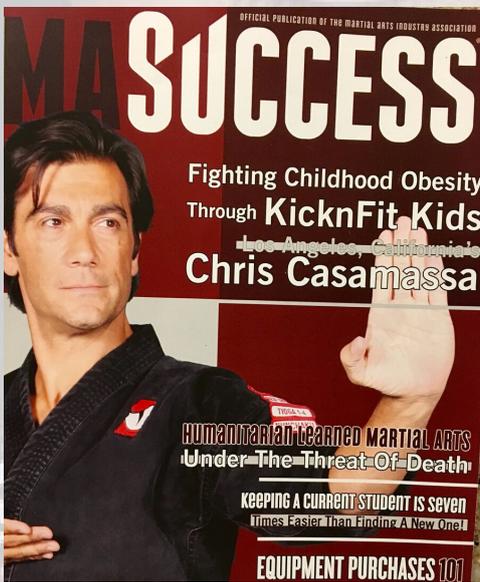
Our instructors are known throughout the region as being the best and most inspirational leaders. One of the many reasons why is the fact that, all Red Dragon instructors are licensed and certified yearly by the American Karate Kung Fu Federation. Red Dragon Karate provides new licensees with up to 90 days of hands on training at a corporate school.

At training, our new licensees learn everything needed for opening an officially certified Red Dragon Karate facility. Our staff and instructor training program is complete with practical experience at an existing Red Dragon Karate school. Our program also assists with “bench strength” for staffing which will afford you the opportunity to continue being successful for years to come.

Red Dragon’s exclusive sales and enrollment procedures will also be taught. Licensees are taught how to efficiently organize our business model and run our current software system as well as how to enroll new members, run the operating software, effectively market and advertise and set up the new studio.

If you love the martial arts and you are seriously interested in creating a rewarding career out of your passion, then a Lou Casamassa’s Red Dragon Karate studio may be right for you.





JOIN OUR TEAM

Red Dragon Karate is seeking licensees who are self-starters and who understand the strong upward trend in the health and fitness membership industry.

We are looking for owners who believe in the value of the Red Dragon Karate brand.

You must be able to communicate the health and fitness lifestyle benefits received from becoming a Red Dragon Karate student.

Most of all, you must perceive and believe in the vision that is Red Dragon Karate.

Whether you are a single-unit licensee or a multi-unit owner with a large, fully-staffed operation, you will be responsible for managing all aspects of your Red Dragon Karate business.

We are committed to helping all our licensed locations establish and maintain the best Martial Arts training program in the world.

INCOME MODEL

Our typical 1,400- to 1,800-square-foot school model can accommodate between 150 and 250 students. Licensees sign up students who pay a membership fee and a monthly fee for classes

Licensees sell upgraded training programs that allow students to add different experiences based on their belt level, with the goal of becoming a black belt, a process that takes up to four years of study.

In addition, we sell branded training gear and related merchandise, offer seminars, private lessons, fitness kickboxing classes, fitness kickboxing gear and we offer special events including our amazing martial arts-themed birthday parties.

Our business experience and operational system are proven to assist our licensees to grow business quickly, and efficiently.





THE RED DRAGON KARATE LICENSE

A Lou Casamassa's Red Dragon Karate license is affordable and reasonably priced compared to any other type of licensed business. Initial license fees are currently between \$7,500- \$15,000. (USD)

Red Dragon offers a unique way for potential licensees to invest in their license.

Option 1.

RDK License fee of \$15,000.
Ongoing monthly fee of \$450.

Option 2.

RDK License fee of \$12,000.
Ongoing monthly fee of \$550.

Option 3.

RDK license fee of \$7,500.
Ongoing monthly fee of \$750.

The current tiered license fee will be in effect for new licensees until December 31, 2020, at which time they may be adjusted for inflation.

Red Dragon Karates monthly license fees are based on the initial investment point. These license fees range between \$450-\$750 (USD). They are guaranteed for a 3 year time frame and may be adjusted for inflation every 36 months.

All licensees receive constant support and upgraded marketing tools from corporate, along with ongoing weekly business strategies to build membership and to continue generating revenue in your facility.

Association Dues

The American Karate Kung Fu Federation (A.K.K.F.) is the certification division for the Red Dragon system.

New members who enroll at a Red Dragon facility are automatically enrolled into the A.K.K.F. The licensee is billed a onetime fee of \$35 (USD) for membership which is valid for that new member until they reach the rank of 1st Degree Black Belt.





REQUIRED FUNDING

Trade Name / License fee \$7,500-\$15,000.

Building deposit \$10,000*

Interior build outs \$5,000-\$20,000

Computer and required software \$2,500

Stationary & office supplies \$2,500

Signage \$2,000-\$8,000

Flooring \$2,500- \$5000

Mirrors \$800-\$2,500

Print & marketing materials \$500-\$750

Initial grand opening campaign \$2,500

Total estimated start up investment:
\$45,500. - \$70,000.

**All projected costs are estimates only.
Prospective Licensees must provide current
financials, along with 2 years tax returns prior to a
Red Dragon license agreement being finalized.*

*We urge you to retain the services of an
experienced accountant or financial advisor to
develop a business plan and financial
projections for your licensed
Red Dragon Karate studio.*



NEXT STEPS

Complete the preliminary licensee qualifications as outlined. If you are approved for a license a "Binder Agreement" is required.

Once complete and approved, the licensee places a non-refundable \$2,500 deposit to secure a licensed territory.

Red Dragon Karate corporate will evaluate and determine if the potential location(s) within a territory are suitable for our business model. Licensee may not enter into a lease agreement for a Red Dragon studio without corporate approval.

When the new location is approved, the licensee will be scheduled for their hands on training at a corporate school where they learn the template of success!

At the end of training all applicable merchandise and marketing materials will be shipped directly to the licensed Red Dragon studio.