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FRANCHISE DISCLOSURE DOCUMENT

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Abrakadoodle, Inc.
A Virginia corporation
1800 Robert Fulton Drive, Suite 205
Reston, VA 20191
703-860-6570
rosemarie@abrakadoodle.com
www.abrakadoodleinc.com
www.abrakadoodle.com

As an ABRAKADOODLE® franchisee, you will operate a business which provides arts education programs for 20-month-old to-12-year-old children.

The total investment necessary to begin operation of an ABRAKADOODLE franchised business ranges from \$35,842 to 74,492 This includes from \$32,492 to \$59,992 that must be paid to franchisor.

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, 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 to you. To discuss the availability of disclosures in different formats, contact Rosemarie Hartnett, 1800 Robert Fulton Drive, Suite 205, Reston, Virginia 20191, (703) 860-6570, rosemarie@abrakadoodle.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, like 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 "<u>A Consumer's Guide to Buying a Franchise</u>," 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 for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may be laws on franchising in your state. Ask your state agencies about them.

Issuance Date:

March 21, 2011 March 22, 2012



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 in Exhibit A 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION IN VIRGINIA. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN VIRGINIA THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT VIRGINIA LAW GOVERNS THE AGREEMENT AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. AFTER YOUR 1ST 12 MONTHS OF OPERATION, YOU MUST MEET A MINIMUM ANNUAL GROSS SALES QUOTA DURING EACH CALENDAR YEAR IN ORDER TO RETAIN THE FRANCHISE (SEE ITEM 12).
- 4. 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 Dates: See next page for effective dates in various jurisdictions.



STATE EFFECTIVE DATES

This disclosure document is effective as of the issuance date for use in Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Iowa, Kansas, Louisiana, Maine, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Vermont, West Virginia, Wisconsin (offers only), Wyoming, Washington, D.C., American Samoa, Federated States of Micronesia, Guam, Marshall Islands, North Mariana Islands (including Saipan), Palau, Puerto Rico and Virgin Islands.

This disclosure document is effective and may be used in the following states, where the disclosure document is filed, registered or exempt from registration:

<u>State</u>	Effective Date
California	April 20, 2011
Illinois	March 22, 2011
Maryland	March 25, 2011
Minnesota	April 11, 2011
New York	April 11, 2011
Virginia	March 30, 2011
Washington	March 30, 2011

This disclosure document is not effective and may not be used in the following states, where it is not currently filed, registered or exempt from registration: Hawaii, Indiana, Kentucky, North Dakota, Rhode Island, South Dakota, Utah and Wisconsin (for sales).

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