

FRANCHISE DISCLOSURE DOCUMENT



AMERICA'S MUSIC SCHOOL LLC

(a Maryland limited liability company) 4819 St. Elmo Avenue Bethesda, MD 20814 855-227-7570 www.Bachtorock.com franchise@bachtorock.com

America's Music School LLC offers franchises for the establishment and operation of "Bach to Rock" music education centers that utilize a distinctive teaching method based on the principle that music instruction is most effective when conducted in a socially interactive environment. The Bach to Rock music education centers, or schools, offer a diverse variety of classes and programs for children and adults, including group classes, private lessons, band sessions, early childhood classes, and special events programming.

The total investment necessary to begin operation of a Bach to Rock franchise is \$281,650 to \$519,725. This includes \$45,000 that must be paid to the franchisor or its affiliates. If you sign an Area Development Agreement to develop multiple Bach to Rock schools in a specified area, you must also pay the franchisor an area development fee equal to the greater of 50% of initial franchise fees that are required for each Bach to Rock school or \$20,000.

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, the franchisor or an affiliate in connection with the proposed franchise sale. Note, however, that no governmental 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 Ralph Rillon, America's Music School LLC, 4819 St. Elmo Avenue, Bethesda, MD 20814, 855-227-7570, or franchise@bachtorock.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</u> <u>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, D.C. 20580. You can also visit the FTC's home page at <u>www.ftc.gov</u> for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

The issuance date of this Franchise Disclosure Document is: April 25, 2019.



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 F** 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 MEDIATION OR LITIGATION ONLY IN MARYLAND. OUT OF STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE OR LITIGATE WITH US IN MARYLAND THAN IN YOUR OWN STATE.
- *2. THE FRANCHISE AGREEMENT PROVIDES THAT MARYLAND LAW GOVERNS THE AGREEMENT, EXCEPT TO THE EXTENT THAT THE LANHAM ACT GOVERNS. MARYLAND LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN THOUGH YOUR SPOUSE MAY HAVE NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.
- 4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

* Local law may supersede these agreement provisions. Certain states require the superseding provisions to appear in an addendum to this Disclosure Document (see Exhibits K and L).

Currently, we use the services of several FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. If a franchise broker sells our franchise or refers you to us, we will pay the broker a fee for this. 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 Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This Franchise Disclosure Document is registered, on file, or exempt from registration in the following states having franchise registration disclosure laws:

| STATES | EFFECTIVE DATE |
|--------------|------------------|
| California | |
| Florida | October 25, 2018 |
| Hawaii | |
| Illinois | |
| Indiana | |
| Maryland | |
| Michigan | |
| Minnesota | |
| New York | |
| North Dakota | |
| Rhode Island | |
| South Dakota | |
| Utah | April 20, 2019 |
| Virginia | |
| Washington | |
| Wisconsin | |

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