

FRANCHISE DISCLOSURE DOCUMENT

BEST BRAINS, INC an Illinois corporation 415 W Golf Road Suite 57 Arlington Heights, Illinois 60005 (847) 485-0000 info@bestbrains com www bestbrains com

BEST BRAINS[®]

As a franchisee, you will operate a BEST BRAINS learning center

For a premium learning center, the total investment necessary to begin operation of a BEST BRAINS learning center is \$49,700 to \$72,600 This includes \$10,400 that must be paid to the franchisor For a budget learning center, the total investment necessary to begin operation of a BEST BRAINS learning center is \$15,300 to \$25,200 This includes \$1,400 that must be paid to the 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, the 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 for you To discuss the availability of disclosures in different formats, contact Lakshmi Boppana at Best Brains, Inc 415 W Golf Road Suite 57, Arlington Heights, Illinois 60005 (847) 485-0000

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 "A Consumer's Guide to Buying a Franchise" 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 also be laws on franchising in your state Ask your state agencies about them

Issuance Date April 7, 2017

* RECEIVED

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Department of Business Oversight Los Angeles Office



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 MEDIATION AND LITIGATION ONLY IN ILLINOIS OUT-OF-STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO MEDIATE OR LITIGATE WITH US IN ILLINOIS THAN IN YOUR OWN STATE
- 2 THE FRANCHISE AGREEMENT STATES THAT ILLINOIS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS
- 5 YOU DO NOT RECEIVE AN EXCLUSIVE OR PROTECTED TERRITORY
- 6 YOU MUST MAKE MINIMUM ADVERTISING PAYMENTS, REGARDLESS OF YOUR SALES LEVELS YOUR INABILITY TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT
- 7 THERE MAY BE OTHER RISKS CONCERNING THIS 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 and disclosure laws, with the following effective dates

| California | |
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| Hawan | |
| Illinois | |
| Indiana | September 2, 2016 |
| Maryland | |
| Michigan | September 1, 2016 |
| Minnesota | |
| New York | |
| North Dakota | |
| Rhode Island | |
| South Dakota | August 15, 2016 |
| Virginia | |
| Washington | |
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