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Department of  
Business Oversight



**Children's Magnet**<sup>®</sup>  
MONTESSORI SCHOOL

## FRANCHISE DISCLOSURE DOCUMENT

Children's Montessori Systems, LLC  
a Maryland limited liability company  
4495 Montgomery Road  
Ellicott City, Maryland 21043  
Telephone: (410) 461-2190  
E-mail: [Franchise@childrensmagnet.com](mailto:Franchise@childrensmagnet.com)  
Website: [www.childrensmagnetfranchise.com](http://www.childrensmagnetfranchise.com)

The franchisee will operate a school (a “**Children’s Magnet Montessori Business**”) which is guided by the educational philosophy of Dr. Maria Montessori, and is dedicated to preparing children to excel in a global society by providing an academically rigorous, engaging and supportive learning environment that cultivates curiosity, creativity and critical thinking. The school will offer programs for children between six weeks and 12 years of age.

The total investment necessary to begin operation of a Children’s Magnet Montessori Business franchise ranges from \$695,177 to \$3,498,650. This includes between \$81,500 and \$86,500 that must be paid to the franchisor or its affiliate(s).

We also offer to enter into area development agreements with qualified parties who wish to establish an agreed-upon number of Children’s Magnet Montessori Businesses in an agreed-upon area. The total investment necessary to begin operation as an area developer is a \$20,000 development fee that is paid to us for each Children’s Magnet Montessori Business to be developed, but the development fee will be credited toward the initial franchise fee for that Children’s Magnet Montessori Business.

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 Lena Hamideh, our Franchise Manager, at Children’s Montessori Systems, LLC, 4495 Montgomery Road, Ellicott City, Maryland 21043 (410.461.2190 x2).

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, D.C. 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://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.

The issuance date of this Franchise Disclosure Document is September 20, 2018.

## 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 administrators listed in Exhibit B 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 PERMITS THE FRANCHISEE TO MEDIATE OR LITIGATE 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 THE FRANCHISOR IN MARYLAND THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT THE LAW OF MARYLAND 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. THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.
4. THE FRANCHISEE OR AREA DEVELOPER WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$20,000 TO \$3,498,650. THIS AMOUNT MAY EXCEED THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2017, WHICH IS \$93,704.
5. THE FRANCHISOR'S FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (SEE ITEM 21), CALLS INTO QUESTION THE FRANCHISOR'S FINANCIAL ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU.
6. 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 franchises. 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 be 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 and disclosure laws, with the following effective dates:

<b>STATES</b>	<b>EFFECTIVE DATE</b>
California	
Florida	
Hawaii	Not Filed
Illinois	Not Filed
Indiana	Not Filed
Maryland	
Michigan	Not Filed
Minnesota	Not Filed
New York	
North Dakota	Not Filed
Rhode Island	Not Filed
South Dakota	Not Filed
Utah	Not Filed
Virginia	
Washington	Not Filed
Wisconsin	Not Filed

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/childrens-magnet-montessori-school>