

FRANCHISE DISCLOSURE DOCUMENT

CHILDREN'S MUSIC ACADEMY FRANCHISING, INC.

A Colorado Corporation 9846 S. Venneford Ranch Road Highlands Ranch, Colorado 80126 (303) 503-2829 www.childrensmusicacademyfranchising.com



The franchise offered is for the establishment and operation of a music academy providing young children, between the ages of 3 and 9, the opportunity to love and appreciate music while developing fundamental musical skills in a classroom setting for children and their parents in a fun, positive, creative and non-pressured environment.

Franchises can be established in 2 ways: as a standard unit or a small market unit. The total investment necessary to begin operations of a Children's Music Academy standard unit franchise is \$67,170 to \$109,600. This includes a \$32,000 franchise fee that must be paid to the franchisor or affiliate. The total investment necessary to begin operations of a Children's Music Academy small market unit franchise is \$21,570 to \$51,400. This includes a \$3,000 to \$12,000 franchise fee that must be paid to the franchisor or affiliate.

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 Amber Strickler, 9846 S. Venneford Ranch Road, Highlands Ranch, Colorado 80126, (303) 503-2829.

The terms of your contract will govern your franchise relationship. Don't rely on this 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, D.C. 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.

Date of Issuance: March 31,2017



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, IN DOUGLAS COUNTY, COLORADO. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN COLORADO THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT COLORADO LAW GOVERNS THE AGREEMENT, AND COLORADO LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE'S LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

The Effective Date for this Disclosure Document for your state is listed on the next page.



STATE EFFECTIVE DATES

The states listed below may require registration or filing of this Disclosure Document. If this offering is registered in any of these states, the effective date of the registration may differ from the date of issuance of this Disclosure Document as stated below. Some of these states may require different or additional disclosures or revisions to the agreement. The effective date of this Disclosure Document for any state that is not included n this list is as shown on the cover of this Disclosure Document. (See the State Addenda to this Disclosure Document for certain states.)

California	Effective Date:	
Connecticut	Effective Date:	
Florida	Effective Date:	
Hawaii	Effective Date:	
Illinois	Effective Date:	
Indiana	Effective Date:	
Kentucky	Effective Date:	5/6/13
Maine	Effective Date:	
Maryland	Effective Date:	
Michigan	Effective Date:	
Minnesota	Effective Date:	
Nebraska	Effective Date:	4/29/13
New York	Effective Date:	
North Carolina	Effective Date:	4/12/13
North Dakota	Effective Date:	
Rhode Island	Effective Date:	
South Carolina	Effective Date:	
South Dakota	Effective Date:	
Texas	Effective Date:	4/29/13
Utah	Effective Date:	
Virginia	Effective Date:	
Washington	Effective Date:	
Wisconsin	Effective Date:	

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