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## 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 12, 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 \$23,570 to \$53,400. This includes a \$5,000 to \$15,000 franchise fee that must be paid to the franchisor or affiliate. Otherwise, the franchise fee is uniform.

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 "[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.  
Date of Issuance March 30, 2018

## **ITEM 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

To simplify the language in this Disclosure Document, the words “we,” “our,” “us” and “Children’s Music Academy” refer to Children’s Music Academy Franchising, Inc, a Colorado corporation, the franchisor of this business “You” and “your” refer to the person who buys the franchise, whether you are a corporation, limited liability company or other business entity If you are a corporation, limited liability company or other business entity, certain provisions of this Disclosure Document also apply to your owners and will be noted

### **The Franchisor**

We were incorporated in Colorado on March 12, 2012 to offer Children’s Music Academy franchises Our principal business address is 9846 S Venneford Ranch Road, Highlands Ranch, Colorado 80126 We do business under our company name and the name Children’s Music Academy We have offered franchises since May 2013

We franchise the right to operate a music academy providing young children, between the ages of 3 and 12, 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 The franchise or franchised music academy does business under the trade name, Children’s Music Academy®, and also uses our other related service marks, trademarks or logos (our “Marks”) The franchised music academy typically requires between 900 to 1,100 square feet of space for a standard unit and is usually located in residential areas with a population of families with young children, and a small market unit and is usually located in markets that cannot normally support a standard unit based on population or demographic data and is typically home-based The franchise operates using our standards, methods, procedures and specifications, called our “System ”

We do not operate a business of the type being franchised We are not involved in any other business activities

### **Our Parents, Predecessors and Affiliates**

We do not have any parent companies or predecessors Children’s Music Academy of Denver, Inc (our “affiliate”) was incorporated in Colorado on April 20, 2004 and is located at 9846 S Venneford Ranch Road, Highlands Ranch, Colorado 80126 Our affiliate owns and operates 9 academies of the type being franchised 1 in Denver, Colorado, since 1983, 6 in the cities of Arvada, Centennial, Denver, Erie and Parker, Colorado, since 2002, and 2 in the cities of Ventura and Westlake Village, California, since 2004 The first Children’s Music Academy in Denver was founded by our President/CEO, Janet Cross From 1983 to April 2004, the business was operated as a sole proprietorship, and in April 2004, the business was acquired by our affiliate

From 1989 to August 2011, our affiliate offered licenses for the use of the Children’s Music Academy trademark in connection with the operation of music academies Unlike our franchisees, licensees of the Children’s Music Academy trademark received the right to use our trademark and certain advertising materials only, for use with their own methods of business operations and marketing, and did not receive the right to use our System of business operations or marketing or the training, support and assistance we offer franchisees Our affiliate had 25 licensees operating music academies under the Children’s Music Academy trademark in California, Colorado, Hawaii, Kentucky, Massachusetts,

**President/CEO: Janet Cross**

Mrs Cross is our President/CEO since April 2016. Previously, Mrs Cross was our Vice President since our incorporation in March 2012. In addition, Mrs Cross is Owner of our affiliate since its incorporation in April 2004.

**Vice President of Franchising: Amber Strickler**

Ms Strickler is our Vice President of Franchising since April 2016. In addition, since 2007, Ms Strickler is CEO of RJS Engineering, an engineering consulting firm in Denver, Colorado.

**ITEM 3 LITIGATION**

*Minnesota v Children's Music Academy Franchising, Inc*, No FR1300011/DPK. The Minnesota Commissioner of Commerce issued a Consent Order in that we had offered and sold an unregistered and non-exempt franchise in the form of a "Branch Agreement" in violation of Minn Stat § 80C.02 (2012). We agreed to disposition of this matter and have paid to the State of Minnesota a civil penalty of \$1,000.

Other than the above, no litigation is required to be disclosed in this ITEM.

**ITEM 4. BANKRUPTCY**

No bankruptcy information is required to be disclosed in this ITEM.

**ITEM 5. INITIAL FEE**

*Standard Start-up Franchisees* You pay us a \$32,000 lump sum franchise fee when you sign the Franchise Agreement.

*Existing Children's Music Academy Licensees* If you are an existing licensee of our affiliate and you sign a current Franchise Agreement, we will waive the franchise fee. If you purchase a second and subsequent franchise and are in good standing, you pay us a \$15,000 lump sum franchise fee.

*Military Personnel* If you are a former or active member of the United States Military, you pay a \$20,000 lump sum franchise fee when you sign the Franchise Agreement.

*Small Market Franchisees* If you are in a small market that cannot normally support a typical franchise (to be determined by us) and based on population and demographic data, you pay us a franchise fee ranging from \$5,000 to \$15,000 (depending on the market).

Otherwise, the franchise fee is uniform.

We will refund 50% of the franchise fee you paid if we terminate the franchise for failure to perform your pre-opening obligations under the Franchise Agreement. We do not give refunds under other circumstances.

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