



March 1, 2013~~2~~ |

FRANCHISE DISCLOSURE DOCUMENT

COMPUTERTOTS, INC.

A Texas Corporation
12715 Telge Road
Cypress, Texas 77429
(888) 280-2053
www.computerexplorers.com

The Franchise offered is for a business which provides computer education programs and related services under the name COMPUTER EXPLORERS.

The total investment necessary to be made in a COMPUTER EXPLORERS franchise is estimated between \$62,925 and \$73,250 over the term of the Franchise Agreement. Of this amount, \$23,425 to \$33,750 is invested for the first 18 months of the franchise relationship. The balance of the investment begins with the 19th month of the franchise relationship. This includes \$49,500 that is to be paid to the franchisor over the term of the Franchise Agreement.

This Franchise Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this Franchise Disclosure Document and all accompanying agreements carefully. You must receive this Franchise Disclosure Document at least fourteen (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 or grant. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your Franchise Disclosure Document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact the Franchise Development Support Manager at 12715 Telge Road, Cypress, Texas 77429 and (281) 256-4221.

The terms of your contract will govern your franchise relationship. Don't rely on the Franchise Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Franchise Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Franchise 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 Franchise 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 individual state. Consult your state agencies for further information.

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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 THIS FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator 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 REQUIRES YOU TO ARBITRATE WITH US EXCLUSIVELY IN TEXAS AND GRANT US THE RIGHT TO LITIGATE IN TEXAS. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY COST YOU MORE TO ARBITRATE OR DEFEND LITIGATION IN TEXAS THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT TEXAS LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS THE LAWS IN YOUR HOME STATE. YOU MAY WANT TO COMPARE THESE LAWS.
3. TO RETAIN THE FRANCHISE, YOU MUST MEET THE MINIMUM ANNUAL GROSS SALES QUOTAS.
4. THE SPOUSAL RESTRICTION AGREEMENT DOES REQUIRE THE FRANCHISEE'S SPOUSE TO GUARANTY ALL PERFORMANCE AND OBLIGATIONS UNDER THE FRANCHISE AGREEMENT IF THE FRANCHISEE'S SPOUSE RECEIVES, VOLUNTARILY OR INVOLUNTARILY, ANY STOCK IN THE CORPORATION HOLDING OWNERSHIP OF THE FRANCHISE. IN THE EVENT THIS OCCURS, THE PERSONAL ASSETS OF THE SPOUSE ARE AT EQUAL RISK AS THOSE OF THE FRANCHISEE IN WHOSE NAME THE STOCK OF THE CORPORATION WAS INITIALLY ISSUED.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

The effective dates of this Disclosure Document are shown in Exhibit B to this document.

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