

FRANCHISE DISCLOSURE DOCUMENT



CREATIVE WORLD SCHOOLS FRANCHISING COMPANY, INC.

a Florida corporation 25110 Bernwood Drive, Suite #104 Bonita Springs, Florida 34135 (239) 947-6177

email address: franchise@creativeworldschool.com www.creativeworldschool.com www.creativeworldschoolfranchise.com www.facebook.com/CreativeWorldSchool twitter.com/cw_school creativeworldschool.wordpress.com

The franchise is for the establishment and operation of an early childhood learning center, a child care facility and creative development school featuring child care and daily care products and services for children ages 6 weeks to 12 years under the Creative World School® trade name and business system (a "Creative World School® Business" or "School").

The total investment necessary to begin operation of a Creative World School® Business ranges from \$2,445,300 to \$5,206,000. These totals include the amount of \$250,000 to \$310,000 that is paid to us or our affiliates.

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 Marianne Whitehouse, Creative World Schools Franchising Company, Inc., 25110 Bernwood Drive, Suite #104, Bonita Springs, Florida 34135, (239) 947-6177, e-mail: franchise@creativeworldschool.com.

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 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: May 20, 2019, as amended October 1, 2019



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 "L" 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:

Risk Factors:

- 1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION AND BY LITIGATION ONLY IN MISSISSIPPI. OUT-OF-STATE ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATION WITH US IN MISSISSIPPI AND TO SUE US IN MISSISSIPPI THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT FLORIDA LAW 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 FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$2,445,300 TO \$5,206,000. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2018, WHICH IS \$1,034,798.
- 4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

The effective dates of this disclosure document in the states with franchise registration laws in which we have sought registration appear on the following page.



State Effective Date

The following states require that the Franchise Disclosure Document be registered or filed with the states, 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 document is effective and may be used in the following states where the document is filed, registered or exemption from registrations, as of the Effective Date stated below:

| STATE | EFFECTIVE DATE |
|--------------|--|
| California | |
| Hawaii | |
| Illinois | Exempt Effective June 5, 2019 |
| Indiana | August 21, 2019 |
| Maryland | |
| Michigan | August 17, 2019 |
| Minnesota | July 31, 2019, as amended, 2019 |
| New York | |
| North Dakota | |
| Rhode Island | |
| South Dakota | |
| Virginia | June 5, 2019, as amended, 2019 |
| Washington | |
| Wisconsin | May 23, 2019, as amended October 3, 2019 |

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