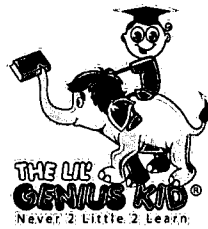


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Franchise Disclosure Document



Genius Kids Development Inc, a California corporation
4966B Paseo Padre Parkway, Fremont, CA 94555
www.GeniusKidsDevelopment.com
Info@GeniusKidsDevelopment.com
Direct Line: 888-545-4364

The Franchise offered is for the operation of either a learning center for early learner's ages two to under six years of age ("The Lil Genius Kid[®]") or a learning center for kids ages six and up ("Genius Kids[®]") or a mobile model that offers enrichment programs for children conducted onsite at schools, community centers or other approved venues ("Genius Kids Club[™]") These child learning centers are based on an interactive proprietary curriculum that incorporates multi-sensory learning methods that has proven to result in the advanced development of fine motor and social skills, communication and confidence, paving the way for successful independent learning. The mobile model teaches fundamental life skills of critical thinking, confidence and speaking through proprietary software and interactive learning. These businesses are geared towards serving families who value intellectual and social development for their children under the names "The Lil Genius Kid[®]", "Genius Kids[®]" or "Genius Kids Club[™]". The Initial Franchise Fee is \$20,000 for either an accelerated learning center ("Express Model or Standard Model") with exclusive rights to operate in a specific area defined by us. The Initial Franchise Fee is \$5,000 for a mobile model with exclusive rights to operate in a specific area defined by us. Additional Franchises for a learning center is a reduced fee of \$18,500 per Franchise and for a mobile model \$3,000 per Franchise. The total estimated initial investment required to begin operation of a learning center Express Model ranges from ~~\$103,900~~ \$83,900 to ~~\$212,400~~ \$192,400 and for a learning Center Standard Model from ~~\$214,900~~ \$194,900 to ~~\$564,500~~ \$544,500 (both ranges exclude real estate lease/acquisition costs) depending on a number of factors that are fully discussed in Item 7. The total estimated initial investment required to operate a mobile model ranges from \$15,200 to \$35,000 also depending on a number of factors that are fully discussed in Item 7. Both initial investments include the Initial Franchise Fee of \$20,000 and \$5,000 respectively (as discussed in Item 5) that must be paid to the franchisor or affiliate.

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:

Renu Dhillon, President
Genius Kids Development Inc
4966B Paseo Padre Parkway
Fremont, CA 94555
1-888-LIL GENIUS

Genius Kids Development, Inc
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vendors. We will respond to you within 30 days of our receipt of your request for web site changes. If we do not respond in that period your request will be deemed disapproved.

Note 6: Interest and late charges begin to accrue from the due date of payment. You must also pay any damages, expenses, collection costs and reasonable attorney fees we incur when you do not make the required payments.

Note 7: You must protect, defend, indemnify and hold us harmless against any claims, lawsuits or losses arising out of your operation of the franchised business. If you default under the agreement and we engage an attorney for collection or enforcement, you must pay all our damages and costs to the extent permitted by law.

Note 8: We require you to join the local Chamber of Commerce, the Better Business Bureau other professional organizations we reasonably specify (Franchise Agreement Section XII.H). The cost of these organizations will vary depending on their membership requirements.

Item 7
The Lil Genius Kid® and Genius Kids®
YOUR ESTIMATED INITIAL INVESTMENT
(EXPRESS MODEL)

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	\$40,000-20,000	\$40,000-20,000	The Initial Franchise Fee is \$40,000-20,000 for a defined territory which includes a start up kit of supplies, your website and training. This franchise fee is non refundable.	At signing of the Franchise Agreement.	Franchisor See Note 1
Computers, Technology and Security System	\$10,100	\$21,000	Computers, POS system, software, printer, copier, fax machine, televisions with mounts, DVD players, video recorders, one interactive white board with projector, sign-in scanning system, high-speed internet connection, phone, sound and alarm system.	Before opening, as incurred.	Vendors
Furniture and Fixtures	\$5,000	\$20,400	Actual cost will vary based on the size for your Business. Costs include furniture and fixtures necessary for the operation of the business in addition to stationary and general office supplies.	Before opening as incurred	Vendors Note 2
Real Estate Acquisition	Varies	Varies	The typical size of a Lil Genius Kid® business is 800 to 2,500 square feet of space. You may choose to purchase land and build your own facility or lease space. This would include utility and security deposits (if leasing a facility).	Before Opening	See Note 3
Leasehold Improvements	\$1,500	\$15,000	The costs to construct interior alterations, improvements and decorating the facility depends on the extent of the renovations needed to convert space into separate areas and any allowance you negotiate with the lessor for construction.	Before Opening.	Landlord Note 4

Classroom Supplies	\$2,000	\$5,000	Estimated costs for assorted classroom supplies such as dry erase boards, cork boards, construction paper, calendars, various stickers, banners, posters and learning materials as specified in the operations manual.	Before Opening	Payable to us or Third Parties
Inventory and Supplies	\$1,500	\$4,000	Estimate inventory of snacks, beverages, products and supplies necessary for the operation of the Business.	Before Opening	Payable to us or Third Parties
Marketing	\$500 per month after opening except during the first 3 month after opening you must spend at least \$9,000 for your Grand Opening.	\$15,000	Marketing will vary depending on several factors including your business plan, growth rate, cost of media in your area and ability to attract customers. Includes minimum amount of \$9,000 for Grand Opening expenses, which must be spent within the first three months of operation. These amounts are also listed in the Fees in Item 6 above.	As Incurred	Local Vendors
Insurance	\$1,500	\$2,500	Before commencing business and as required by insurance company.	Spent over the course of twelve months	Payable to third parties. See Note 7
Signage	\$300	\$5,000	Estimated cost for the delivery and installation of exterior and interior signage. We specify and provide you with the guidelines in the operations manual. Signage expenses are not refundable.	Before Opening	Vendors
Uniforms	\$300	\$500	Estimate varies depending on number of staff.	Before Opening	Vendors
Travel, Lodging and Meals for Initial Training Program	\$1,000	\$5,000	Training held at corporate headquarters. You are responsible for all costs associated with attending such as travel, room and board. Additional training is available at your request for which an additional training fee of up to \$300 per person day plus our expenses may be required.	As Incurred	See Item 11
Business Licenses, Permits, Association Dues and Other Professional Fees	\$2,500	\$8,000	Licenses and permits required to operate the Business and any professional legal and accounting fees incurred. This includes membership of national or local associations.	Before Opening	Appropriate licensing authorities and third parties
Staffing	\$9,000	\$36,000	This is an estimate for additional staff. Franchisees will need additional instructors, aids, assistants and administrative help when opening for business.	Before opening as incurred over the course of three months	Salaries and Expenses
Operating Expenses and Additional Funds	\$20,000	\$35,000	Additional funds necessary for the start up of your business which includes working capital.	Spent over the course of the first 3 months	See Note 6
Total	\$103,00083.90 0	\$212,400192.4 00			

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