

FRANCHISE DISCLOSURE DOCUMENT



OXFORD GROUP INTERNATIONAL, LLC (a New York LLC) 61 Executive Boulevard Farmingdale, NY 11735 800-916-3693 info@gradepowerlearning.com http://gradepowerlearning.com/

You will operate a business which provides educational services and products.

The total investment necessary to begin operation of a GradePower Learning franchised business is approximately from \$97,100 to \$255,500. This includes approximately \$31,000 to \$60,000 that must be 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 our Franchise Department at the above address and phone number.

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 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 to 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.

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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 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 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 IS GOVERNED BY THE LAWS OF NEW YORK, EXCEPT AS MAY BE REQUIRED BY STATE LAW. THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 2. THE FRANCHISE AGREEMENT PERMITS YOU TO ARBITRATE OR LITIGATE ONLY IN THE STATE OF NEW YORK. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE OR LITIGATE WITH US IN NEW YORK THAN IN YOUR HOME STATE.
- 3. THE FRANCHISOR HAS BEEN IN EXISTENCE FOR A SHORT PERIOD OF TIME, SINCE MAY 4, 2011. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.
- 4. THE FRANCHISOR HAS LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND ITS PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES
- 5. SPOUSES OF FRANCHISE OWNERS MUST EXECUTE A CONFIDENTIAL/NON-COMPETITION AGREEMENT AND PERSONAL GUARANTY PLACING THEIR PERSONAL ASSETS AT RISK.
- 6. THE FRANCHISE AGREEMENT REQUIRES FRANCHISEE TO PAY 10% ROYALTY ON MONTHLY GROSS REVENUE OR A MONTHLY MINIMUM PAYMENT TO FRANCHISOR OF \$500 FOR THE THIRD THROUGH NINTH MONTH OF OPERATION AND \$1,000 FOR THE TENTH MONTH AND EACH MONTH GOING FORWARD.

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- 7. AS SECURITY FOR PAYMENT, FRANCHISEE GRANTS FRANCHISOR A CONTINUING LIEN ON SECURITY INTEREST IN ALL ASSETS OF THE BUSINESS.
- 8. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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