

## FRANCHISE DISCLOSURE DOCUMENT



### **Kidcreate Studio Franchising, LLC**

a Texas limited liability company

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www.kidcreate.com

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Kidcreate businesses offer children's art lessons in a class, camp, and party format that focus on art education for children from ages 18 months through 12 years, either in a studio or a mobile "on the go" format ("Kidcreate Business(es)").

The total investment necessary to begin operation of a single Kidcreate studio franchised business is between \$110,705 and \$266,270. This includes between \$62,905 and \$67,520 that must be paid to the franchisor or its affiliate(s). Kidcreate franchisees may also purchase the right to develop multiple Kidcreate studio franchised businesses. The total investment necessary to begin operation of three Kidcreate studio franchised businesses ("Standard 3 Franchise") is between \$290,115 and \$756,810. This includes between \$146,715 and \$160,560 that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation of five Kidcreate studio franchised businesses ("Standard 5 Franchise") is between \$444,525 and \$1,222,350. This includes between \$205,525 and \$228,600 that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation of ten Kidcreate studio franchised businesses ("Standard 10 Franchise") is between \$805,550 and \$2,361,200. This includes between \$327,550 and \$373,700 that must be paid to the franchisor or its affiliate(s).

The total investment necessary to begin operation of a single Kidcreate mobile franchised business is between \$64,765 and \$95,490. This includes between \$54,405 and \$57,790 that must be paid to the franchisor or its affiliate(s). Kidcreate franchisees may also purchase the right to develop multiple Kidcreate mobile franchised businesses. The total investment necessary to begin operation of three Kidcreate mobile businesses ("Standard 3 Franchise") is between \$169,295 and \$261,470. This includes between \$138,215 and \$148,370 that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation of five Kidcreate mobile franchised businesses ("Standard 5 Franchise") is between \$248,825 and \$402,450. This includes between \$197,025 and \$213,950 that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation of ten Kidcreate mobile franchised businesses ("Standard 10 Franchise") is between \$422,650 and \$729,900. This includes between \$319,050 and \$352,900 that must be paid to the franchisor or its affiliate(s).

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 payments to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government 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 Lara Olson at Kidcreate Studio Franchising, LLC, 7918 Mitchell Road, Eden Prairie, Minnesota 55344, and (952) 937-7600.

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, DC 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.

**ISSUANCE DATE: May 1, 2020, as amended August 10, 2020**

## How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit G.
<b>How much will I need to invest?</b>	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Kidcreate business in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What’s it like to be a Kidcreate franchisee?</b>	Item 20 or Exhibit G lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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