

FRANCHISE DISCLOSURE DOCUMENT

HOLDING IP FRANCHISE USA, LLC
A Delaware limited liability company
3423 Gromer Terrace
La Crescenta, California 91214
Telephone (424) 527-1039
www KidsEmpire us

**Department of
Business Oversight**

MAY 16 2019

**RECEIVED
Sacramento**

Holding IP Franchise USA, LLC, a Delaware limited liability company, offers franchises for the operation of a Kids Empire ("Kids Empire(s)") indoor playground that feature interactive play equipment and activities for children, food, drinks and other products and services We offer 2 franchise programs

Single Kids Empire Program Under this program, you will sign a Franchise Agreement to operate one Kids Empire The total investment necessary to begin operation of a Kids Empire ranges from approximately \$803,250 to \$1,735,000 This includes \$358,000 to \$660,000 that must be paid to us or our affiliate

Area Development Program Under this program, we will assign you a defined area within which you must develop and operate a minimum of 2 Kids Empires within a specified period of time The total investment necessary to begin operation of the first of 2 Kids Empires under an Area Development Agreement ranges from approximately \$814,250 to \$1,749,000 This includes \$368,000 to \$670,000 that must be paid to us or our affiliate

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English Read the 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 its 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 Haim Elbaz, 3423 Gromer Terrace, La Crescenta, CA 91214, (424) 527-1039

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 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, N W , 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

**THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS JANUARY 11, 2019, AS AMENDED
MAY 9, 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 THIS FRANCHISE WITH 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 on Exhibit I 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 AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND LITIGATION ONLY IN LOS ANGELES COUNTY, CALIFORNIA OUT OF STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO PARTICIPATE IN MEDIATION AND LITIGATION WITH US IN CALIFORNIA THAN IN YOUR HOME STATE

2 THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT CALIFORNIA LAW GOVERNS THE AGREEMENTS AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

3 YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTEE MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT THE GUARANTEE WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS

4 THE TIME LIMIT FOR US TO APPROVE OR DISAPPROVE YOUR PROPOSED SITE IS 10 DAYS AFTER YOU SUBMIT ALL OF OUR REQUIRED DOCUMENTS AND INFORMATION IF WE AND YOU CANNOT AGREE ON A SITE, AND IF WE DO NOT AGREE TO EXTEND THE DEADLINE, YOU WILL BE IN DEFAULT AND WE MAY TERMINATE YOUR FRANCHISE AGREEMENT (SECTIONS 5 1 AND 14 2 2)

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise A FRANCHISE BROKER or referral source represents us, not you We pay this person a fee for selling our franchise or referring you to us You should be sure to do your own investigation of the franchise

SEE THE NEXT PAGE FOR STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following state having franchise registration and disclosure laws, with the following effective dates

California February 12, 2019, as amended _____

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/kids-empire>