

# FRANCHISE DISCLOSURE DOCUMENT



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KIDZART LLC

DEPARTMENT OF BUSINESS OVERSIGHT  
 SAN FRANCISCO

A Nevada Limited Liability Company  
 833 Laurence Ave, Suite B  
 Jackson, MI 49202  
 1-517-784-5000  
 info@kidzart.com

We offer franchises for the operation of businesses that provide art instruction and products to children and adults under the mark KidzArt®

The total investment necessary to begin operation of a KidzArt franchised business is \$36,080 to \$43,680 This includes \$31,320 that must be paid to the franchisor or its affiliate

We also offer franchises for the operation of businesses that provide educational and technology enrichment programs for children ages 4 to 14 through a uniform system that includes quality products and proprietary curricula and business format under the mark Club Scientific®

The total investment necessary to begin operation of a Club Scientific franchised business is \$45,310 to \$79,410 This includes \$27,950 to \$29,850 that must be paid to the franchisor or its affiliate

We also offer franchisees the option to purchase both a KidzArt franchised business and Club Scientific franchised business for a reduced initial fee The total investment necessary to begin operation of a Co-Branded KidzArt and Club Scientific franchised business is \$72,690 to \$105,390 This includes \$55,220 to \$59,220 that must be paid to the franchisor or its affiliate

We may also allow you to expand your KidzArt or Club Scientific Territory beyond the standard 15,000 qualifying households by paying us \$0.40 per additional qualifying household If you purchase a Co-Branded Franchise, you may expand your territory by paying us \$0.80 per additional qualifying household

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 support at KidzArt LLC, 833 Laurence Ave, Suite B, Jackson, MI 49202, telephone 1-517-784-5000

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, NW, Washington, D C 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.

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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 A 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 KIDZART FRANCHISE AGREEMENT AND CLUB SCIENTIFIC FRANCHISE AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION OR LITIGATION IN MICHIGAN. OUT-OF-STATE MEDIATION/LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE/LITIGATE WITH US IN MICHIGAN THAN IN YOUR OWN STATE
- 2 THE FRANCHISE AGREEMENT STATES THAT MICHIGAN LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT OR COMPARE THESE LAWS
- 3 YOUR SPOUSE MUST SIGN A GUARANTY MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. THIS GUARANTEE WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS
- 4 YOU MUST MAINTAIN MINIMUM SALES PERFORMANCE LEVELS, WHICH MAY BE INCREASED ANNUALLY. IF YOU FAIL TO DO SO, YOU COULD LOSE YOUR EXCLUSIVE TERRITORY OR THE FRANCHISOR COULD REDUCE THE SIZE OF YOUR TERRITORY
- 5 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We 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

Effective Date See the next page for state effective dates

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