

## FRANCHISE DISCLOSURE DOCUMENT



KIDZART LLC  
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®.

We offer two sizes of territory for each franchise option.

A KidzArt, Club Scientific or Co-Branded Teach Franchise is a small territory with demographics of 15,000 qualified households (\*qhh). A Teach territory is usually large enough for a franchise owner to operate by themselves or with 1-2 part-time staff depending on their development of their business.

A Teach Plus Franchise is 30,000 \*qhh. Twice the size of the Teach franchise territory. This size territory is usually purchased by those wanting to build a larger business and who plan to hire others to teach.

\* A qualifying household (\*qhh) is a home with income over \$75,000.

The total investment necessary to begin operation of a KidzArt Teach franchised business is \$21,490 to \$34,090. This includes \$17,740 to \$22,740 that must be paid to the franchisor or its affiliate. If you qualify for a deferral of \$5,000 then your amount paid to the franchisor or its affiliate is \$12,740 to \$17,740.

We also offer franchises for the operation of businesses that provide educational and technology enrichment science 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®. This mark is owned by KidzArt, LLC.

The total investment necessary to begin operation of a Club Scientific Teach franchised business is \$27,140 to \$50,690. This includes \$18,040. to \$24,940. that must be paid to the franchisor or its affiliate. If you qualify for a deferral of \$5,000 then your amount paid to the franchisor or its affiliate is \$13,040 to \$19,940.

We also offer franchisees the option to purchase both a KidzArt Teach franchised business and Club Scientific Teach 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 \$40,080 to \$68,630. This includes \$ 30,980. to \$42,880. that must be paid to the franchisor or its affiliate. If you qualify for a deferral of \$5,000 then your amount paid to the franchisor or its affiliate is \$25,980 to \$37,880.

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 OT COMPARE THESE LAWS.
3. YOU MUST MAINTAIN MINIMUM SALES PERFORMANCE LEVELS, WHICH MAY BE INCREASED ANNUALLY. CURRENTLY, IF YOU OPERATE A KIDZART FRANCHISED BUSINESS, CLUB SCIENTIFIC FRANCHISED BUSINESS OR A CO-BRANDED FRANCHISE, YOUR MINIMUM ANNUAL GROSS REVENUES REQUIREMENT IS \$25,000 DURING EACH 12-MONTH PERIOD OF THE FRANCHISE TERM. IF YOUR INABILITY TO MAINTAIN THESE LEVELS MAY RESULT IN LOSS OF ANY TERRITORIAL RIGHTS YOU ARE GRANTED, TERMINATION OF YOUR FRANCHISE, AND LOSS OF YOUR INVESTMENT.
4. YOU MUST MAINTAIN, MINIMUM SALES PERFORMANCE LEVELS. YOUR INABILITY TO MAINTAIN THESE LEVELS MAY RESULT IN LOSS OF ANY TERRITORIAL RIGHTS YOU ARE GRANTED, TERMINATION OF YOUR FRANCHISE, AND LOSS OF YOUR INVESTMENT.
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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