

Franchise Disclosure Document [FDD]



Learning Bee Franchise, Inc. a California corporation 39977 Mission Boulevard Fremont, California 94539 www.learningbeelearningenter.com Grace@learningbeelearningcenter.com Direct Line: (510) 449-2118

The franchise offered is for the operation of an after-school enrichment center for school-aged children from kindergarten through the eighth grade providing age specific structured enrichment programs and activities to augment their regular school education in addition to summer camps programs. Each center utilizes our proprietary interactive curriculum that complements our different themed enrichment programs all of which foster academic, social and life skill development. This is an education-oriented business geared towards serving families who value raising their children to be creative, problem solvers and independent thinkers, under the name "Learning Bee®". The Initial Franchise Fee is \$45,000 with the right to operate in a specific protected area as defined by us. Additional franchises for those who have bought at least one franchise will be available for a reduced fee of \$25,000 per franchise. The total investment necessary to begin operation of a Learning Bee® ranges from \$190,100 to \$446,400 depending on a number of factors that are fully discussed in Item 7. This includes the Initial Franchise Fee of \$45,000 (as discussed in Item 5) that must be paid to the Franchisor or 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 payment to, the franchisor or any affiliate in connection with the proposed franchise sale. Note, however, 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:

Grace Wong, President Learning Bee Franchise, Inc. 39977 Mission Boulevard Fremont, California 94539 (510) 449-2118

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire 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 <u>WWW.FTC.GOV</u> for additional information. Call your state agency or visit your public library for other sources of information on franchising.

We currently do not engage the services of franchise brokers.

There may also be laws on franchising in your state. Ask your state agencies about them.

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STATE COVER PAGE

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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 PERMITS THE FRANCHISEE TO MEDIATE OR ARBITRATE ONLY IN CALIFORNIA. OUT OF STATE MEDIATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH LEARNING BEE FRANCHISE, INC. IN CALIFORNIA THAN IN YOUR HOME STATE.
- 2) THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAWS. YOU MAY WANT TO COMPARE THESE LAWS.
- 3) YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT WE CONTROL.
- 4) THE FRANCHISEE'S SPOUSE MUST SIGN A PERSONAL GUARANTY MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT WHICH ALSO PLACES THE SPOUSE'S PERSONAL ASSETS AT RISK. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
- 5) THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE OPPORTUNITY.

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