

Franchise Disclosure Document [FDD]



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Department of Business Oversight Los Angeles Office

Lingua Natal®

Lingua Natal Enterprises, Inc. a California corporation 1104 Garden View Road San Diego, California 92024 www.LinguaNatal.com Lena@LinguaNatal.com Direct Line: (858) 829-5278

The franchise offered is for the operation of either a mobile business that offers foreign language based learning programs onsite at different locations for parents and infants and children up to twelve years old ("Mobile Model") or a pre-school and child care facility offered in a minimum of two foreign languages for children ages two to six years old (Pre-Primary, two to three years of age and Primary, three to six years of age) in addition to after school, camp programs and/or limited special event programs in foreign languages at its location for children up to twelve years old ("Standard Model"). Both models provide interactive proprietary curriculum and programs that are focused on children acquiring foreign languages while fostering academic, social and physical development. These are education oriented businesses geared towards serving families who value raising their children to be bilingual or multi-lingual delivered by trained teachers, leading to academic achievement under the name "Lingua Natal[®]". The Initial Franchise Fee is \$20,000 to operate a Mobile Model or \$35,000 to operate a Standard Model 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 \$18,000 for Mobile Model or \$31,500 for a Standard Model per franchise. The total investment necessary to begin operation of a Lingua Natal[®] [®] Mobile Model ranges from \$30,050 to \$53,850 or will range from \$203,400 to \$460,600 for a Standard which will depend on a number of factors that are fully discussed in Item 7. This includes the Initial Franchise Fee of \$20,000 for a Mobile Model or \$35,000 for a Standard Model (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:

Lena Sisson, President Lingua Natal Enterprises, Inc. 1104 Garden View Road San Diego, California 92024 (858) 829-5278

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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

Lingua Natal Enterprises, Inc. a California corporation 1104 Garden View Road San Diego, California 92024 <u>www.LinguaNatal.com</u> <u>Lena@LinguaNatal.com</u> Direct Line: (858) 829-5278

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 ARBITRATE ONLY IN CALIFORNIA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH LINGUA NATAL ENTERPRISES, 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) THE DISCLOSURE DOCUMENT IS PROVIDED FOR YOUR OWN PROTECTION AND CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT.
- 4) WE CURRENTLY DO NOT ENGAGE THE SERVICES OF FRANCHISE BROKERS.
- 5) YOUR TERRITORY IS NOT AN EXCLUSIVE TERRITORY BUT A PROTECTED AREA AS FURTHER DESCRIBED UNDER ITEM 12 TITLED TERRITORY.
- 6) 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

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