

FRANCHISE DISCLOSURE DOCUMENT

HNASIUM[®] The Math Learning Center

Mathnasium Center Licensing, LLC dba Mathnasium Learning Center RECEIVED LOS ANGELES OFFICE A California Limited Liability Company 5120 West Goldleaf Circle, Suite 300 Los Angeles, California 90056 USA (877) 531-MATH (6284) whitney.novak@mathnasium.com www.mathnasium.com

As a Mathnasium franchisee you will operate a learning center that provides math instruction using the Mathnasium system of learning. Children typically attend Mathnasium centers two or more times per week for approximately 60 minutes.

The total investment necessary to begin operation of a Mathnasium center ranges from \$93,250 to \$131,000. This includes \$29,500 that must be paid to Mathnasium. If you sign an Option Agreement at the same time you sign the Franchise Agreement, you will pay us an additional \$19,500 to \$22,000 times the number of additional centers you want to open for the Option Fee.

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 awarding of the franchise. Note, however, that no government 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 your Franchise Development Director at 5120 West Goldleaf Circle, Suite 300, Los Angeles, California 90056; (877) 531-6284.

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 "<u>A Consumer's Guide to</u> <u>Buying a Franchise</u>," 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, DC 20580. You can also visit the FTC's homepage 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.

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

The issuance date is March 2, 2012.



STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with the 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 D 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION OR ARBITRATION ONLY IN THE COUNTY WHERE OUR HEADQUARTERS IN LOCATED, CURRENTLY IN LOS ANGELES COUNTY. CALIFORNIA. OUT-OF-STATE MEDIATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE OR ARBITRATE OR MEDIATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.
- 2. THE CONTINUATION OF YOUR TERRITORIAL EXCLUSIVITY DEPENDS ON YOU MAINTAINING ENROLLMENT OF 50 STUDENTS AFTER YOUR 20TH MONTH OF OPERATION AND BEING IN COMPLIANCE WITH ALL SYSTEM STANDARDS
- THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Certain state laws may supersede these provisions. See State Addenda in Exhibit G for a summary of some of these laws.

curacy of any information. Use of the information found on this website (FranchisePanda.com), is strictly at your own risk. We will not be liable for any losses and/or damages in connection with the use of our website or this document



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 (notice filing only - no FDD filing), Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This franchise is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California

Hawaii

Illinois

Indiana

Maryland

Michigan

Minnesota

New York

North Dakota

Rhode Island

South Dakota

Virginia

Washington

Wisconsin

In all states that do not have franchise registration and disclosure laws, the effective date is the same as the issuance date stated on the front cover of this franchise disclosure document.

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