

FRANCHISE DISCLOSURE DOCUMENT



**Mathnasium Center Licensing, LLC
dba Mathnasium Learning Centers**

A California Limited Liability Company
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(877) 531-MATH (6284)
legal@mathnasium.com
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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 your first Mathnasium franchise ranges from \$90,750 to \$137,610. This includes the \$40,000 initial franchise fee that must be paid to Mathnasium. The total investment necessary to begin operation of a second or subsequent franchise ranges from \$77,250 to \$124,110. This includes a discounted initial franchise fee of \$26,500 that must be paid to Mathnasium.

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 Representative at 5120 West Goldleaf Circle, Suite 300, Los Angeles, California 90056 and (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 your entire contract carefully. Show your contract and this disclosure document to an advisor, such as 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, DC 20580. You can also visit the FTC's homepage at 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.

The issuance date is March 4, 2016.

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 IS 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 FRANCHISE AGREEMENT STATES THAT DELAWARE LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE CONTINUATION OF YOUR TERRITORIAL EXCLUSIVITY DEPENDS ON (I) YOU MAINTAINING ENROLLMENT OF 75 STUDENTS AFTER YOUR 24TH MONTH OF OPERATION, (II) AFTER YOUR 24TH MONTH OF OPERATION, THE GROSS RECEIPTS FOR YOUR CENTER MUST NOT BE IN THE BOTTOM 8% OF ALL CENTERS IN THE UNITED STATES THAT HAVE BEEN OPEN 12 MONTHS OR MORE, AND (III) BEING IN STRICT COMPLIANCE WITH ALL SYSTEM STANDARDS.
4. THERE MAY BE OTHER RISK FACTORS 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.

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, 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:	_____, 2016
Florida:	April 9, 2016
Hawaii:	_____, 2016
Illinois:	_____, 2016
Indiana:	_____, 2016
Kentucky*:	April 9, 2004
Maryland:	_____, 2016
Michigan:	_____, 2016
Minnesota:	_____, 2016
Nebraska*:	March 12, 2004
New York:	_____, 2016
North Dakota:	_____, 2016
Rhode Island:	_____, 2016
South Dakota:	_____, 2016
Texas*:	March 8, 2004
Utah:	_____, 2016
Virginia:	_____, 2016
Washington:	_____, 2016
Wisconsin:	_____, 2016

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.

* Denotes one-time filing

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