



FRANCHISE DISCLOSURE DOCUMENT

Pediatrics Plus Franchising, Inc.
an Arkansas corporation
2740 College Avenue
Conway, Arkansas 72034
Telephone: (501) 329.5459
Facsimile: (501) 205.1790

www.pediatricsplus.com

As a franchisee you will operate a facility which provides specialized health care and educational services for children with special needs, developmental delays and learning differences under the trademark PEDIATRICS PLUS featuring specialty classrooms, therapy, pre-school, family support and care coordination and psycho-educational evaluations authorized by us.

The total investment necessary to begin operation of a PEDIATRICS PLUS facility is \$655,000 to \$1,140,000. This includes \$50,000 that must be paid to the franchisor or its affiliate.

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 David Tapp at 2740 College Avenue, Conway, Arkansas 72034, phone (501) 205-1790.

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 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 date of issuance of this Franchise Disclosure Document is May 15, 2014.

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 to this Disclosure Document 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 ARBITRATE WITH US ONLY IN THE OFFICE OF THE AMERICAN ARBITRATION ASSOCIATION CLOSEST TO OUR PRINCIPAL EXECUTIVE OFFICE. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT ALSO MAY COST YOU MORE TO ARBITRATE WITH US WHERE OUR PRINCIPAL EXECUTIVE OFFICE IS LOCATED THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT ARKANSAS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFIT AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. PEDIATRICS PLUS FRANCHISING, INC. WAS INCORPORATED ON APRIL 30, 2014, AND HAS NO HISTORY IN FRANCHISING. THE INITIAL FRANCHISE FEE REQUIRED TO BUY THIS FRANCHISE EXCEEDS FRANCHISOR'S EQUITY IN THE COMPANY.
4. WE DO NOT DIRECTLY CONTROL REIMBURSEMENT RATES FOR SERVICES WE BILL TO GOVERNMENT PROGRAMS AND PRIVATE INSURANCE. SUBSTANTIALLY ALL OF THE REVENUE WE GENERATE FROM THERAPY SERVICES IS FUNDED THROUGH REIMBURSEMENTS FROM PRIVATE INSURANCE COMPANIES AND STATE GOVERNMENT PROGRAMS SUCH AS MEDICAID. IN ADDITION, PRESCHOOL TUITION MAY BE FUNDED THROUGH GOVERNMENT PROGRAMS. THESE RATES MAY CHANGE SUBSTANTIALLY WITHOUT PRIOR NOTICE. REDUCTION OF REIMBURSEMENT RATES COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS.
5. YOUR THERAPY AND PRESCHOOL SERVICES WILL REQUIRE A SIGNIFICANT INVESTMENT IN REAL ESTATE AND EQUIPMENT, WHICH MAY NOT BE RECOVERED IF THE FRANCHISE IS NOT SUCCESSFUL.
6. DELAYS IN REIMBURSEMENT MAY CAUSE WORKING CAPITAL AND LIQUIDITY PROBLEMS. YOU MAY EXPERIENCE DELAYS IN RECEIVING REIMBURSEMENTS FOR SERVICES, ESPECIALLY FROM PRIVATE INSURANCE AND GOVERNMENT

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PROGRAMS. THESE DELAYS MAY STEM FROM CHANGES IN REIMBURSEMENT POLICIES, REQUESTS FOR ADDITIONAL DOCUMENTATION, BILLING SYSTEM CONTROLS AND CONVERSIONS, CHANGES IN GOVERNMENT FUNDING AND OTHER ISSUES. DELAYS IN RECEIVING REIMBURSEMENTS FOR YOUR SERVICES WOULD HAVE A SIGNIFICANT ADVERSE EFFECT ON YOUR CASH FLOW.

7. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

The effective dates of this Franchise Disclosure Document in the states with franchise registration laws in which we have sought registration appear on the following page.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/pediatrics-plus>