

FRANCHISE DISCLOSURE DOCUMENT**DEPARTMENT OF CORPORATIONS
RECEIVED LOS ANGELES OFFICE**

MAY 02 2012



PRISM, LLC
dba Rainbow Station
4551 Cox Road, Suite 310
Glen Allen, Virginia 23060
804-747-5900
rej@rainbowstation.org
www.rainbowstation.org

We offer a franchise for a business using the “RAINBOW STATION” service mark and trade name offering early childhood education services, including pre-school, private kindergarten, afterschool recreation, and care for mildly ill (children too sick to attend school, but not required to be hospitalized) and special needs children, as well as related services and ancillary goods

The total investment necessary to begin operation of a Rainbow Station franchise ranges from \$1,359,700 to \$3,256,500 (See Item 7) This amount includes \$80,000 which must be paid to us and our affiliates for the initial franchise fee, not including real estate costs (See Item 5)

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, please contact Earl Johnson at 4551 Cox Road, Suite 310, Glen Allen, Virginia 23060, rej@rainbowstation.org or (804) 747-5900

The terms of your contract will govern your franchise relationship Do not 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 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

Issuance Date April 26, 2012

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 THE DISCLOSURE DOCUMENT**

Call the state franchise administrator listed in Exhibit C 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 LITIGATE WITH US ONLY IN VIRGINIA OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN VIRGINIA THAN IN YOUR HOME STATE**
- 2 **EACH SPOUSE OF THE FRANCHISE OWNERS, PARTNERS, MEMBERS, SHAREHOLDERS AND TRUSTEES MUST SIGN A PERSONAL GUARANTY MAKING THEM JOINTLY AND SEVERALLY LIABLE FOR ALL DEBTS AND OBLIGATIONS OF THE FRANCHISE WHETHER OR NOT THEY ARE INVOLVED IN THE OPERATION OF THE FRANCHISE BUSINESS THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF YOU, YOUR SPOUSE AND YOUR OWNERS AT RISK**
- 3 **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE**

We may 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 registration effective dates are listed on the following State Registrations page

**RAINBOW STATION
STATE REGISTRATIONS**

This Disclosure Document is registered, on file or exempts from registration in the following states with franchise registration and disclosure laws

State	Effective Date
California	Pending
Hawaii	NA
Illinois	NA
Indiana	Pending
Maryland	NA
Michigan	April 26, 2012
Minnesota	NA
New York	NA
North Dakota	NA
Rhode Island	NA
South Dakota	NA
Utah	NA
Virginia	Pending
Washington	NA
Wisconsin	NA

In the states listed below, the effective date of this Disclosure Document is the Issuance Date of April 26, 2012

Alabama	Kentucky	New Mexico
Alaska	Louisiana	North Carolina
Arizona	Maine	Ohio
Arkansas	Massachusetts	Oklahoma
Colorado	Mississippi	Oregon
Connecticut	Missouri	Pennsylvania
Delaware	Montana	South Carolina
District of Columbia	Nevada	Tennessee
Florida	New Hampshire	Texas
Georgia	New Jersey	Vermont
Idaho	Nevada	West Virginia
Iowa	New Hampshire	Wyoming
Kansas	New Jersey	

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