

**FRANCHISE DISCLOSURE DOCUMENT**

RECEIVED



2015 APR 29 AM 10 40  
PRISM, LLC  
dba Rainbow Station  
4551 Cox Road, Suite 310  
Glen Allen, Virginia 23060  
804-747-5900  
rej@rainbowstation.org  
www.rainbowstation.org

DEPARTMENT OF  
BUSINESS OVERSIGHT  
SAN FRANCISCO

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 \$1,367,200 to \$3,264,000 (See Item 7 ) This amount includes \$87,500 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](http://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 28, 2015

RAINBOW STATION FDD

CP 3921306 v5

## 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 THE FRANCHISE AGREEMENT STATES THAT VIRGINIA LAW GOVERNS THE AGREEMENT. THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS
- 3 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
- 4 THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$1,367,200 to \$3,264,000. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2014, WHICH IS \$231,104
- 5 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**

The following states require that the 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 Disclosure Document is registered, on file or exempt from registration in the following states with franchise registration and disclosure laws

State	Effective Date
California	
Illinois	
Indiana	
New York	
Virginia	

In the states listed below, the effective date of this Disclosure Document is the Issuance Date of April 28, 2015

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

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