

FRANCHISE DISCLOSURE DOCUMENT

SNAPOLOGY, LLC
A Pennsylvania Limited Liability Company
1699 Washington Road, Suite 200
Pittsburgh, PA 15228
Tel: (412) 867-8057
franchiseinfo@snapology.com
www.snapology.com

The franchise that we offer is for a Snapology business that provides curriculum based courses, events and hands on learning experiences using LEGO® brand bricks, K'Nex® brand toys, their substitutes and other building toys, robotics, animation and engineering techniques, services, and products under the Snapology name and marks (each a “Franchised Business” or “Snapology Business”).

The estimated total investment necessary to begin operation of a home based mobile Snapology Business ranges from \$39,000 to \$73,500. This includes \$20,000 to \$37,500 that must be paid to us or our affiliate for the initial franchise fee. The estimated total investment necessary to begin operation of a Snapology Business that also includes a fixed location retail discovery center ranges from \$83,500 to \$193,500. This includes \$20,000 to \$37,500 that must be paid to us or our affiliate for the initial franchise 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 franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another form that is more convenient for you. To discuss the availability of disclosures in different forms, contact Laura Coe, Snapology, LLC, 1699 Washington Road, Suite 200, Pittsburgh, PA 15228.

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, DC 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: March 30, 2018

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administration 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 Franchise 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 SUE THE FRANCHISOR ONLY IN THE COMMONWEALTH OF PENNSYLVANIA. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE THE FRANCHISOR IN THE COMMONWEALTH OF PENNSYLVANIA.
2. THE FRANCHISE AGREEMENT STATES THAT PENNSYLVANIA LAW GOVERNS EACH AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU SHOULD COMPARE THESE LAWS.
3. YOUR SPOUSE MUST SIGN A DOCUMENT, SUCH AS GUARANTEE, THAT MAKES YOUR SPOUSE LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN IF YOUR SPOUSE DOES NOT OWN ANY PART OF THE FRANCHISE BUSINESS. IF YOU LIVE IN A COMMUNITY PROPERTY STATE, YOUR SPOUSE MAY BE LIABLE FOR YOUR FINANCIAL OBLIGATIONS EVEN IF HE OR SHE HASN'T SIGNED ANYTHING. IN EITHER CASE, BOTH YOU AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, INCLUDING YOUR HOUSE, COULD BE LOST IF YOUR FRANCHISE FAILS.
4. THE FRANCHISOR'S FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (SEE ITEM 21), CALLS INTO QUESTION THE FRANCHISOR'S FINANCIAL ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU.
5. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$39,000 TO \$193,500. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2017, WHICH IS \$(84,025).
6. YOU MUST MAKE THE MINIMUM ROYALTY AND BUSINESS MANAGEMENT SYSTEM PAYMENTS, REGARDLESS OF SALES LEVELS. YOUR INABILITY TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.
7. THERE MAY BE OTHER RISKS 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.

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

Effective Dates

| | |
|----------------|----------------------------|
| California | |
| Connecticut | Exempt (February 17, 2016) |
| Florida | |
| Hawaii | |
| Illinois | |
| Indiana | |
| Kentucky | May 10, 2016 |
| Maine | |
| Maryland | |
| Michigan | |
| Minnesota | |
| Nebraska | |
| New York | |
| North Carolina | Exempt (May 22, 2017) |
| North Dakota | |
| Rhode Island | |
| South Carolina | |
| South Dakota | |
| Texas | Exempt (July 7, 2015) |
| Utah | Exempt (November 4, 2016) |
| Virginia | |
| Washington | |
| Wisconsin | |

In all other states the effective date of this Franchise Disclosure Document is the issuance date of: March 30, 2018.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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