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## FRANCHISE DISCLOSURE DOCUMENT

Department of Business Oversight



APPLE SEEDS FRANCHISING, LLC A New York Limited Liability Company 10 West 25<sup>th</sup> Street New York, NY 10010 212-792-7590 franchising@songsforseeds.com www.appleseedsplay.com

We offer franchises for the operation of businesses that provide music classes for children newborn to six years old ("Songs for Seeds franchise").

The total investment necessary to begin operation of a single Songs for Seeds franchise is \$92,250 to \$122,650 This amount includes \$69,900 to \$80,400 that must be paid to the franchisor. If you become a Multi-Unit Developer, you may elect to open two Songs for Seeds franchises or three Song for Seeds franchises. The total investment necessary to begin operation of two Songs for Seeds franchises ranges from \$163,100 to \$218,900. This includes an amount paid to franchisor between \$119,400 to \$140,400. The total investment necessary to begin operation of three Songs for Seeds franchises ranges from \$204,450 to \$275,150. This includes an amount paid to franchisor between \$139,400 to \$160,400.

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 Graig Schlanger or Bobby Berna at Apple Seeds Franchising, LLC, 10 West 25<sup>th</sup> Street, New York, NY 10010, telephone 212-792-7596 or 212-792-7597.

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.

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## 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 for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU ΤO 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:

THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION, ARBITRATION OR LITIGATION ONLY IN NEW YORK. OUT OF STATE MEDIATION ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE OR DEFEND A LAWSUIT IN NEW YORK THAN IN YOUR HOME STATE.

Ž. THE FRANCHISE AGREEMENT STATES THAT NEW YORK LAW GOVERNS THE AGREEMENT, NEW YORK LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE LAW. YOU MAY WANT TO COMPARE THESE LAWS.

SPOUSES OF FRANCHISE OWNERS MUST SIGN AND GUARANTEE ALL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. THIS REQUIREMENT PLACES THE PERSONAL AND MARITAL ASSETS OF THE FRANCHISE OWNERS AND THEIR SPOUSES AT RISK.

4. THE FRANCHISEE OR MULTI-UNIT DEVELOPER WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$92,250 TO \$202,650. THESE AMOUNTS EXCEED THE FRANCHISOR'S MEMBERS' EQUITY AS OF DECEMBER 31, 2018, WHICH IS (\$156,436.)

YOU MUST MAINTAIN MINIMUM SALES PERFORMANCE LEVELS. YOUR. INABILITY TO MAINTAIN THESE LEVELS MAY RESULT IN LOSS OF ANY TERRITORIAL RIGHTS YOU ARE GRANTED, TERMINATION OF YOUR FRANCHISE, AND LOSS OF YOUR. INVESTMENT.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

6.

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.

See the next page for state effective dates.

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## 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 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:

State	Effective Date
California	Pending
Florida	May 3, 2018
Îllinois	See Separate FDD
Maryland	Pending
Michigan	May 9, 2018
New York	Pending
Texas*	April 28, 2016
Virginia	Pending
Washington	Pending

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