

FRANCHISE DISCLOSURE DOCUMENT



Stars & Stripes Kids Activity Center Franchising, LLC
A Michigan limited liability company
4630 White Lake Road
Clarkston, Michigan 48346
www.starsandstripeskidsfranchise.com
Telephone No.: (800) 231-8617
Email Address: franchise@starsandstripeskids.com

The franchise offered is for the establishment and operation of a “Stars & Stripes Kids Activity Center” Center. Your Activity Center will be business that will offer sports, education, and recreation for children that will initially feature gymnastics, warrior training, special events, and summer camps in a fun and inspiring environment. After at least 1 year of operation, you may add on additional activities and programs, including preschool, piano lessons, karate, and dance, that may require additional training and additional training costs. You will operate a Stars & Stripes Kids Activity Center pursuant to our System.

The estimated total investment necessary to begin operations of a new Stars & Stripes Kids single-unit franchised Activity Center is between \$305,500 and \$584,000 for a leased space. This includes the Initial Franchise Fee of \$47,500 that must be paid to us at the time you execute the Franchise Agreement.

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 Brian Foster, 4630 White Lake Road, Clarkston, Michigan 48346, or by phone at (800) 231-8617 or by email at franchise@starsandstripeskids.com.

The terms of your contract will govern your franchise relationship. Don't rely on this Disclosure Document alone to understand your contract. Read your entire contract carefully. Show your contract and this Disclosure Document to an advisor, such as 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: May 31, 2017

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 O 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 THAT MOST DISPUTES BE SUBMITTED TO ARBITRATION IN THE COUNTY OF OUR PRINCIPAL PLACE OF BUSINESS. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN THE STATE OF OUR PRINCIPAL PLACE OF BUSINESS RATHER THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT, WITH SOME EXCEPTIONS, MICHIGAN LAW GOVERNS THE AGREEMENT, AND MICHIGAN LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE'S LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

The Effective Date for this Franchise Disclosure Document for your state is listed on the next page.

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