

## FRANCHISE DISCLOSURE DOCUMENT

SFK FRANCHISING INC.  
112 Pheasant Wood Court, Suite C  
Morrisville, NC 27560  
(866) 991 7053  
franchisor@stemforkids.net  
[www.stemforkids.net](http://www.stemforkids.net)



The Franchisee will own and operate a business system that provides educational activities, namely classes, camps, workshops, conferences and programs in the field of math, science, technology and engineering under the registered trademark STEM for Kids. Franchisor, SFK FRANCHISING INC., provides services to Franchisees including assistance with training, operations, staffing, advertising and marketing, purchasing and promotional techniques.

The total investment necessary to begin operation of a STEM for Kids franchise is between \$ 19,900 and \$ 81,570. This includes \$12,500 to \$51,000 that must be paid to the franchisor or affiliate for the initial franchise fee based on QuickStart, Lite or Full territory option.

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, 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 availability of disclosures in different formats, contact the Franchise Administration Department of SFK FRANCHISING INC. at 112 Pheasant Wood Court, Suite C, Morrisville, NC 27560, (866) 991 7053

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](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 15, 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 THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit E 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 STATES THAT ALL DISAGREEMENTS BE SETTLED BY ARBITRATION IN NORTH CAROLINA. 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 NORTH CAROLINA THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT NORTH CAROLINA LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE FRANCHISE AGREEMENT REQUIRES BOTH YOU AND YOUR SPOUSE TO SIGN A PERSONAL GUARANTY MAKING THE SPOUSE JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, EVEN IF THE SPOUSE IS NOT INVOLVED IN THE FRANCHISED BUSINESS. THE PERSONAL GUARANTY PLACES BOTH YOUR AND YOUR SPOUSE'S PERSONAL ASSETS AT RISK.
4. YOU MUST PAY THE FRANCHISOR A MINIMUM ROYALTY FEE RANGING FROM \$325 to \$700 EVERY MONTH BEGINNING AFTER YOUR FIRST THREE MONTHS EVEN IF THE FRANCHISE BUSINESS HAS NO REVENUE. YOU WILL LOSE THE INITIAL FRANCHISE FEE AND THE FRANCHISE RIGHTS TO THE PROTECTED TERRITORY IF YOU FAIL TO ESTABLISH A STEM FOR KIDS® BUSINESS WITHIN THREE MONTHS FROM SIGNING THE FRANCHISE AGREEMENT.
5. WE WERE FORMED ON NOVEMBER 25, 2013 AND HAVE A BRIEF OPERATING HISTORY. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See attached effective date list.

**TABLE OF CONTENTS**

<b>ITEM</b>		<b>PAGE</b>
ITEM 1.	THE FRANCHISOR AND ANY PARENTS, PRECECESSORS AND AFFILIATES.....	1
ITEM 2.	BUSINESS EXPERIENCE.....	3
ITEM 3.	LITIGATION .....	4
ITEM 4.	BANKRUPTCY.....	4
ITEM 5.	INITIAL FRANCHISE FEE .....	4
ITEM 6.	OTHER FEES .....	6
ITEM 7.	ESTIMATED INITIAL INVESTMENT .....	9
ITEM 8.	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	11
ITEM 9.	FRANCHISEE'S OBLIGATIONS .....	14
ITEM 10	FINANCING .....	16
ITEM 11.	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING .....	16
ITEM 12.	TERRITOR.....	27
ITEM 13.	TRADEMARKS .....	30
ITEM 14.	PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.....	31
ITEM 15.	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS .....	33
ITEM 16.	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	34
ITEM 17.	RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION .....	35
ITEM 18.	PUBLIC FIGURES .....	39
ITEM 19.	FINANCIAL PERFORMANCE REPRESENTATIONS.....	39
ITEM 20.	OUTLETS AND FRANCHISEE INFORMATION .....	42
ITEM 21.	FINANCIAL STATEMENTS .....	45
ITEM 22.	CONTRACTS .....	45
ITEM 23.	RECEIPT.....	45
 <b><u>EXHIBITS</u></b>		
Exhibit A	STEM FOR KIDS FRANCHISE AGREEMENT With Exhibit A (Franchise Fees) Exhibit B (Security Agreement) Exhibit C (Personal Guaranty) Exhibit D (Nondisclosure and Noncompetition Agreement) Exhibit E (Telephone Listing and Internet Authorization Agreement)	
Exhibit B	LISTING OF CURRENT FRANCHISEES and CERTAIN PAST FRANCHISEES	
Exhibit C	FINANCIAL STATEMENTS	
Exhibit D	STATE SPECIFIC INFORMATION	
Exhibit E	FEDERAL AND STATE REGULATORS AND AGENTS FOR SERVICE OF PROCESS	
Exhibit F	ACH/EFT TRANSFER AGREEMENT	
Exhibit G	AGREEMENT AND CONDITIONAL CONSENT TO TRANSFER	
Exhibit H	FIRST ADDENDUM TO RENEWAL FRANCHISE AGREEMENT	
Exhibit I	ACCOUNTANT AUTHORIZATION	
Exhibit J	STATEMENT OF PROSPECTIVE FRANCHISEES	
Exhibit K	RECEIPT	

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