

MAY 02 2012

## FRANCHISE DISCLOSURE DOCUMENT

THE LEARNING EXPERIENCE SYSTEMS LLC,  
a Delaware limited liability company  
4855 Technology Way, Suite 700, Boca Raton Florida 33431  
Telephone (561) 886-6400, www.thelearningexperience.com

### THE LEARNING EXPERIENCE®



The franchisee (“you”) will operate a childcare center business with the systems, trademarks, procedures and curriculum (“Centers”) that are licensed by The Learning Experience Systems LLC (“we,” “us” or “TLES”) under a franchise agreement with us

The total investment necessary to begin operation of a Center is between \$495,299 and \$3,585,549 per Center, depending on whether you purchase an existing Center, develop your own Center or retain us to develop your Center. This includes payments that must be paid to the franchisor or affiliate that range from \$529,000 to \$2,630,350 (if you purchase an existing Center), \$166,399 to \$217,749 (if you develop your own Center) and \$269,399 to \$390,249 (if we develop the Center for you)

We also grant development rights to developers which enable them within a designated development area to (a) open, themselves or through affiliates or unaffiliated third parties, no fewer than 30 childcare Centers, (b) to promote the sale of our franchises on our behalf, and (c) service franchisees. The total investment necessary to begin operation as a Zone Developer will range from \$641,500 to \$1,600,000. This includes payments that range from \$400,000 to \$1,500,000 that must be paid to the franchisor or affiliate

This disclosure document summarizes certain provisions of your Franchise Agreement and Zone Developer 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 or grant. **Note, however, that no governmental agency has verified the information contained in this document.**

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your whole 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 25, 2012

## 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 administrators listed in Exhibit A to this Disclosure Document for the 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 AND ZONE DEVELOPER AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN THE JUDICIAL DISTRICT WHERE WE HAVE OUR PRINCIPAL PLACE OF BUSINESS (CURRENTLY IN BOCA RATON, FLORIDA) WHEN THE DISPUTE RESOLUTION PROCEDURES ARE BEGUN. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN FLORIDA THAN IN YOUR OWN STATE.
- \*2 THE FRANCHISE AGREEMENT AND ZONE DEVELOPER AGREEMENT STATE THAT FLORIDA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. THROUGH DECEMBER 31, 2011, WE HAVE GRANTED 237 FRANCHISES, 89 SUCH GRANTS WERE REFUNDED DUE TO LACK OF SITE LOCATION AND/OR WERE TERMINATED PRIOR TO OPENING, LEAVING A NET GRANT OF 148 FRANCHISES (INCLUDING MULTIPLE UNIT GRANTS). OF THIS AMOUNT, 80, OR 54%, HAVE OPENED A CENTER, 41, OR 28%, ARE CURRENTLY IN THE PROCESS OF OPENING A CENTER, AND 27, OR 18%, ARE IN THE PROCESS OF IDENTIFYING A SUITABLE SITE LOCATION FOR A CENTER. YOU SHOULD CONSIDER THIS WHEN MAKING YOUR DECISION TO PURCHASE A FRANCHISE.
- 4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

\* Local law may supersede these agreement provisions. Certain states require the superseding provisions to appear in an addendum to this disclosure document (see Exhibit D).

**We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. If one of our Zone Developers assists us in selling our franchise to you, that Zone Developer will be acting in the same manner as a FRANCHISE BROKER. 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.**

Effective Date See next page for state effective dates

## 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

<b>STATES</b>	<b>EFFECTIVE DATE</b>
California	
Florida	July 25, 2011
Illinois	
Maryland	
Michigan	July 18, 2011
Minnesota	
New York	
Virginia	
Washington	

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