

FRANCHISE DISCLOSURE DOCUMENT RECEIVED
DEPT OF CORPORATIONS
SAN FRANCISCO

The Little Gym International, Inc.
(a Delaware corporation)
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Scottsdale, AZ 85253
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You will operate a business that provides physical fitness, recreational gymnastic, motor skills development and other related programs for children.

The total investment necessary to begin operation of a The Little Gym franchise with a Standard Territory is approximately \$204,000 to \$294,000. This includes approximately \$128,500 to \$181,500 that must be paid to us or our affiliates. The total investment necessary to begin operation of a The Little Gym franchise with a Small Market Territory is approximately \$147,500 to \$223,500. This includes approximately \$92,500 to \$148,500 that must be paid to us or our affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read 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.**

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 to 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. 20590. 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 1, 2013

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 PERMITS THE FRANCHISE OWNER TO ARBITRATE WITH THE LITTLE GYM INTERNATIONAL, INC. ONLY IN ARIZONA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. THESE PROVISIONS MAY BE SUPERSEDED BY CERTAIN STATE LAWS. IT MAY ALSO COST MORE TO ARBITRATE WITH THE LITTLE GYM INTERNATIONAL, INC. IN ARIZONA THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT ARIZONA LAW GOVERNS THE AGREEMENT. THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW AND LOCAL LAW MAY SUPERSEDE IT IN YOUR STATE. YOU MAY WANT TO COMPARE THESE LAWS. THE STATE OF MICHIGAN AND CERTAIN OTHER STATES PROHIBIT CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. SEE STATE ADDENDA IN EXHIBIT G FOR A SUMMARY OF SOME OF THESE LAWS.
3. DUE TO THE NATURE OF THE FRANCHISE, FRANCHISE OWNERS MAY BE SUED FOR PERSONAL INJURY CLAIMS, WHICH IS THE REASON FOR OUR INSURANCE REQUIREMENTS.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Certain state laws may supersede these provisions. See State Addenda in Exhibit G for a summary of some of these laws.

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 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.

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:

California:	April 17, 2012
Hawaii:	April 6, 2012
Illinois:	April 5, 2012
Indiana:	April 8, 2012
Maryland:	April 12, 2012
Minnesota:	April 6, 2012
New York:	April 17, 2012
Rhode Island:	May 1, 2012
North Dakota:	April 30, 2012
Virginia:	May 1, 2012
Washington:	March 28, 2012
Wisconsin:	March 19, 2012

Other states that may require a notice filing (without an FDD) rather than registration include Florida, Kentucky, Nebraska, Texas, and Utah, and in certain situations other states. We filed franchise notices in the following states, with the following effective dates:

Florida:	September 22, 2012
Kentucky:	September 16, 1999 (one-time filing)
Michigan:	July 13, 2012
Nebraska:	September 16, 1999 (one-time filing)
Texas:	August 18, 1999 (one-time filing)
Utah:	June 3, 2012

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