

Franchise Disclosure Document



WEE LITTLE ARTS, INC. MAR 16 PM 2:05
 A South Carolina Corporation
 35 Lolandra Avenue
 Charleston, SC 29407
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 www WeeLittleArts.com
 843-766-2722

The franchisor is offering a franchise license for the operation of a business that will provide early childhood art education programs in private and public schools, day care centers, enrichment and faith-based facilities under the name "WEE LITTLE ARTS "

The total investment necessary to begin operation of a Wee Little Arts franchise is between \$29,650 and \$40,690 This includes \$24,500 that must be paid to the franchisor as your Initial Franchise Fee

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 Melissa Bradshaw at 35 Lolandra Ave , Charleston, SC 29407 and 843 766-2722

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

THE ISSUE DATE OF THIS DISCLOSURE DOCUMENT IS MARCH 13, 2017
 FOR USE IN CALIFORNIA ONLY

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 F for information about the franchisor, about other franchisors, 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 THE FRANCHISEE ARBITRATE DISAGREEMENTS WITH THE FRANCHISOR ONLY IN THE STATE OF SOUTH CAROLINA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH THE FRANCHISOR IN SOUTH CAROLINA THAN IN YOUR HOME STATE.**
- 2. THE FRANCHISE AGREEMENT STATES THAT SOUTH CAROLINA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW.**
- 3. PLEASE NOTE THAT 93% OF THE FRANCHISOR'S ASSETS ARE INTANGIBLE YOU MAY WANT TO TAKE THIS INTO CONSIDERATION WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY**
- 4 THE FRANCHISOR'S AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2016 REFLECT THAT CURRENT LIABILITIES EXCEED CURRENT ASSETS THIS MEANS THAT THE FRANCHISOR MAY NOT HAVE THE FINANCIAL RESOURCES TO PROVIDE SERVICES OR SUPPORT TO YOU.**
- 5. BEGINNING IN THE 13TH MONTH OF OPERATION, YOU MUST MAKE MINIMUM ROYALTY PAYMENTS, REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT**
- 6 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE**

WE 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 MAKE SURE TO DO YOUR OWN INVESTIGATION OF THE FRANCHISE

The effective date of this Disclosure Document in the State of California is _____

WEE LITTLE ARTS, INC.
FRANCHISE DISCLOSURE DOCUMENT
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