

INTRODUCTION

Welcome to the unique and exciting business of **the actor's garage** franchise! At **the actor's garage** it is our belief that we can help build a child's dreams and self-esteem through acting exercises that are taught in a positive, stress-free environment. We have seen that we created a very special place where every child can be your student whether they are interested in acting, improving their life skills; coming out of their shells, to get ready for public speaking or just to have fun. Simply put, at **the actor's garage** every child has the opportunity to be a star!

In addition to making a difference in our future, which is our children, you can have the opportunity to be your own boss! That's right, make your own hours, work as many or as few afternoons a week as you would like. And most importantly, never feel alone with the support you will receive from **the actor's garage** headquarters. We want you to know that when you purchase an **actor's garage** as your own business, you receive an excellent support package with it.

At **the actor's garage** our objective is to not only teach children basic acting techniques for TV film and commercials, but to give them a positive self image, life skills and to inspire them to try their best at whatever they choose in life. We do this through positive reinforcement in a stress-free, non-competitive environment.

After researching children's acting techniques Ann Gray Graf, took all of her knowledge from different schools of acting, her years as a working actress and her relationships in the entertainment business to write a very detailed curriculum that not only tells you what to teach, but how you should be teaching it.

In March of 2004, Ann opened her first **actor's garage** in Manhasset, Long Island to eight students. Every school opened after that was done at the request of a parent in the area who had heard the great things that were being taught at **the actor's garage** and wanted a school that their children could attend. Most of the excitement came from the progress they had seen in children. The parents were excited; a new program unlike anything they had seen and that their children loved and learned from.

In June of 2006, Ann realized that the best way to get **the actor's garage** to as many children as possible was to franchise. As of September 2006, **the actor's garage** has taught over 1000 children of all ages and continues to grow in its success. This success has not stopped **the actor's garage** from continuing to be the first to introduce new acting techniques to the young actors. We are currently getting ready to roll out classes in Stand-Up Comedy, Improvisational Comedy and Teens only classes.

Those of us, that are involved in **the actor's garage** look at it, as being part of something special that we can share with the children. We stay in constant contact with each other through email and phone conversations, sharing our experiences of what works and what does not work. We also count on the children to let us know what is and is not working for them. We then try to incorporate all of these ideas into our curriculum making **the actor's garage** an ever growing, changing and exciting business to be a part of. We invite you to learn more about **the actor's garage** on the following pages.

THE BENEFITS OF BUYING A FRANCHISE

Is franchising a good idea? There is a franchise fee, a royalty, rules to which you must adhere. However, in purchasing a well-structured franchise, you greatly minimize the risks and strains of starting a new business. With our creative way of renting space on a monthly basis in affordable family friendly environments, we allow you greater flexibility in controlling expenses. We have purposely kept our overhead very low in the hopes of making your initial investment back in a timely manner.

HEAR WHAT THE PARENTS, STUDENTS AND TEACHERS HAVE TO SAY ABOUT **the actor's garage.**

My children wanted to take an acting class for fun. We had no idea that within a year my children would have booked 5 national commercials, auditioned for Disney, Nickelodeon and feature films. Plus, we get to do it as a family!"

Susan L.

Mother of Jacob, 10 and Julia, 12

"One of the biggest joys about my job at the actor's garage is the success of bringing self-confidence and self-esteem to everyone. Hearing a parent say that we helped their son/daughter be more active or confident in the classroom environment is worth it's weight in gold."

Danny C.

Teacher since June 2005

"This is a dream job because the number one rule for everyone is to have fun. And along with the fun comes a rewarding experience of each student's growth, not just as an actor, but also as a person, the benefit of practicing your acting skill with the students and convenient working hours? the list goes on...I can't think of a day where I didn't laugh out loud at the actor's garage. Seriously!"

Brooke H.

Teacher since September 2004

"I have seen tremendous growth in self-confidence in the students who have taken the actor's garage classes, both boys and girls, of any age. the actor's garage has created quite a buzz around campus"

Jean Mark Juel

Buckley Country School Headmaster

"My son has found himself, his voice."

Kathleen K.

Mother of Scott, 9 years old

"He loves it! It makes him a happy person, what more is there?"

Mary Helen G.

Mother of Aiden, 5 years old

What do we do now?

If you are intrigued and would like to take the next steps, here is how:

Step 1 - Is the actor's garage franchise right for you at this time?

Would owning and operating an actor's garage franchise be the perfect business opportunity for you? Take some time to think about this. You might want to analyze business trends, talk to people you trust and, most important, look within yourself. Only you know if this is right for you. If you feel ready, move ahead with this exciting process.

Step 2 - Franchise Application

Fill out and return your application. This will give us some initial information to let us know if we are a good fit together.

Step 3 - Once we receive the completed application we will begin;

1) Criminal background check 2) Reference check 3) Credit check 4) Personal franchisee approval

Step 4 - Let's Talk

Now, with the UFOC, Franchise Application and all other information in hand, discuss your questions and concerns with us by telephone or in person. You will be guided through each aspect of our business. It is so important to discuss EVERYTHING. Nothing should be left out. No question is a bad question. No comment is an insult. If it doesn't work for both of us it won't work. We are very willing to listen and help in any way possible.

If we decide together that at this point we would like to move forward, we will begin the following:

1) At this point, you will be obligated to give a territory deposit and signed franchise agreement. *(This part of the process may differ depending on what state you are in. **the actor's garage** headquarters will talk to you about this).*

Step 8 - Post Deposit Phase

At this point we would like to say "Welcome to **the actor's garage!**" We are thrilled to have you on board! Through email and telephone communications we will be available to in ensuring a successful opening. You will receive a business manual that will give you step by step instructions on how to going about opening an **actor's garage** franchise.

This information will include, finding space, advertising, marketing, web design among other aspects. If there is anything you feel was not covered, please do not hesitate to call us.

Step 9 - Here we go!

Once everything is agreed and you have signed the franchise agreement, you can set up a time to begin training. This will happen on Long Island with "real" classes of children that are currently enrolled in our schools. Your actor's garage franchise can be up and running within-6 - 12 weeks of training.

THE FRANCHISE PROGRAM

The financial requirements for *the actor's garage* franchises are as follows:

Franchise Fees

- The franchise fee is \$24,000
- A monthly royalty fee equal to 9% of gross revenues

Franchise Investment

- The estimated investment, including the franchise fee and tenant improvements, ranges from approximately \$30,000 - \$34,000.

Advertising

- Each franchise contributes 1% of gross revenues to the Advertising Fund. In addition we suggest you spend at least \$500 locally to advertise before you open up.
- The Fund is used to build name recognition and regional and national reputation.

Exclusive Territory

- Franchisees are granted exclusive local territories in which no other *actor's garage* territory will be sold.
- Locations are determined on the basis of demographic analysis, geographic analysis
- The franchise term is for 10 years and continually renews for the same period of time.

The following table describes other recurring or isolated fees for the franchisee.

NAME OF FEE	AMOUNT	DUE DATE
Royalty ¹	9% of Gross Tuition Fees	10 th day of each month.
Advertising Fund ²	1% of Gross Tuition Fees.	10 th day of each month if we require at a later time during the term of the Franchise Agreement
Advertising Cooperative ³	Up to \$3,000 annually	Bi-annually; within 10 days of your receipt of the invoice.
Initial training of replacement manager ⁴	Currently \$3,500	Before day 1 of training.
Operations Manuals & Curriculum Materials ⁵	Currently \$100	30 days after billing
Interest ⁶	Interest on payments overdue by 30 days or more	As incurred
Returned Check Fee ⁷	\$50	As incurred
Insurance ⁸	Cost of insurance and, if not obtained by you, our procurement expense	As required and as incurred.
Audit ⁹	Cost of audit	As incurred
Training ¹⁰	Amount of expenses	As incurred
Site Selection ¹¹	Amount of expenses	As incurred
Transfer ¹²	\$7,500	Time of transfer

NAME OF FEE	AMOUNT	DUE DATE
Renewal ¹³	50% of then-current initial franchise fee or \$10,000, whichever is less	Time of renewal
Indemnification ¹⁴	Cost of liability	As incurred
Collection Costs and Attorneys' Fees ¹⁵	Cost of collection and attorneys' fees	As incurred
Additional Guidance and Assistance ¹⁶	Per diem charges established by us	As incurred

The actor's garage Support

The actor's garage franchises will get as much support as we can possible give you. if you succeed, we all succeed. You are never in this alone! Our commitment to you is to be there for you whenever you need.

The actor's garage will continually explore and develop new ideas, curriculum, and concepts that will help you promote, operate and keep your business up to date.

In addition to a complete "hand-holding" process, the following services are provided to all franchisees:

- ** Comprehensive training period and materials
- ** Business Manual
- ** Web site
- ** Complete package with all materials needed for opening

Frequently Asked Questions

Financial

A. How much is the franchise fee?

\$24,000

B. What are the start-up costs?

\$3,000 - \$6,000

C. How much money can I make?

Franchise law prohibits our offering any earnings claims as a sales tool, accurate or not. Call us for more details.

~We find we can charge per student per 12 week session = \$200 - \$575

~We find we can charge per student for 3 hr, 4 day a week camp = \$200 - \$450

~ We find we can charge per birthday party = \$200 - \$425

The above prices will be determined by territory demographics

D. What does the average actor's garage franchise gross and net?

Franchise law prohibits our offering that information.

E. How long until I make my initial investment back?

There are many factors that go into that. We would be happy to talk to you at length about this.

F. Does the actor's garage finance?

No

G. What is the royalty fee?

9 %

H. Are there other fees?

1% Grand scale advertising

What does the job entail?

A. Running actor's garage classes and birthday parties

B. Running a business like any other, telephone sales, advertising, marketing, and bookkeeping.

C. A true desire to work with children

D. Initially, most hours of work will entail getting the word out. Once the word is out, if classes are run true to our standards, word of mouth should help a great deal in growing the business.

D. Holding actor's garage classes.

E. Maintaining relationships with both the children and parents at the schools.

F. Maintaining open communications with headquarters.

How many actor's garage locations are there?

(See "Locations" on the actor's garage website @ www.theactorsgarage.com)

- Where are they located?

(See "Locations" on the actor's garage website @ www.theactorsgarage.com)

Do the franchises have to be owner operated?

We strongly suggest so.

Staffing questions

A. How many employees are needed to run an actor's garage?

In the beginning you will probably have 1 full-time employee who can be yourself.

B. Where do we find staff?

Once you decide you need additional staff, we will be happy to help you with this. We can discuss it at that time.

What is a typical day like at an actor's garage franchise?

A. Some of your day will be taken up by administrative work. Telephone calls, mailings, advertising, reviewing the day's lesson plan.

B. To begin, the actor's garage will typically hold 3 classes a day in each location. (1) 50 minutes class for 4 and 5 year olds, (1) 50 minutes class for ages 6-9 and (1) 90 minute class for ages 10 and over. These classes will have different focuses depending on the age of the class. In addition, you may also have (1) class in an "after school" program that will begin and end before your day in the actor's garage location of the day. These classes are filled with fun exercise that the children love to perform, while learning basic acting and life skills. By limiting the class size each child will get plenty of "stage" time. In addition, you will have a camera hooked up to a TV so the children can actually watch themselves on the "small screen".

What do I get when I buy the actor's garage franchise?

A. You will receive 3 years of lesson plans for each age group, beginning with ages 4 and going through teens. In addition, you will get a one year lesson on Stand-Up comedy and Improvisation comedy.

B. You will get to use the actor's garage trademark name, and all that entails.

C. You will get support at every step of the way and you will become part of a family that is dedicated to helping kids and loving their careers.

D. You will receive a Set-Up package.

What does the set-up package include?

- A. The franchisee must pay to franchisor a \$1,600 set-up package fee for various **actor's garage** items necessary for Franchisee to begin operations. This fee is payable before initial training, is non-refundable, and is fully earned by Franchisor when the set-up package is provided to Franchisee. The set-up package, which is provided to Franchisee at the end of initial training, includes:
- a. Two (2) freestanding portable **actor's garage** floor signs, and five
 - b. (5) **actor's garage** logo shirts, newspaper advertisements customized for Franchisee's local papers
 - c. fifty (50) marketing posters, two hundred fifty
 - d. (250) Brochures, five hundred
 - e. (500) Business cards
 - f. One thousand (1,000) sheets of **actor's garage** letterhead with franchisee' name and business information, business envelopes, folders, labels, and other business forms specific to the Franchised Business,
 - g. fifty (50) bring a friend cards
 - h. Template for birthday party invitations, gift certificates, and picture hand-outs

What are we, **the actor's garage** looking for in a new franchisee?

- A. First and foremost, a real desire to inspire children.
- B. A franchisee that is dedicated to the actor's garage
- C. A self-motivated individual.
- D. Knowing your territory - demographics.
- E. A Background in working with children
- F. An acting background - though not as important as wanting to inspire children.

If at this point you have any questions or concerns you don't think were covered or you would like clarified, please contact us. We will do anything we can to work with you on this process to ensure all of us are happy

