

NHSA Franchise Group, LLC



THE OPPORTUNITY

An Investment in Your Community & Your Future

MISSION STATEMENT

To form a powerful, profitable group of forward-thinking franchisees aiming to better the face of education in America today.

AUDENTES FORTUNA LUVAT.
FORTUNE FAVORS THE BOLD.

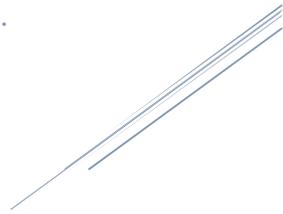


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INTRODUCTION

Thank you for your interest in an NHHSA Franchise. We want to partner with prospective entrepreneurs who are uniquely qualified to join a team of innovative thinkers aiming to better the face of education in America today.

Ours is a progressive model suited to today's busy family dynamic and the needs of today's students. Our commitment to our students and our franchisees and our on-going support is second to none.

We invite you to study this Investor's Package with care. If our ideals match your goals, we sincerely look forward to opening a more direct dialogue with you in order to get your started with your own profitable NHHSA Franchise.

OUR BUSINESS MODEL

What is NHHSA?

New Horizons Home School & Academy is a homeschooling service provider. What sets us apart from other such service providers, however, is the fact that we have actual physical locations – brick and mortar office spaces – that make it possible for students to have somewhere to attend with knowledgeable educators to speak with when assistance with the study material is needed. We are not strictly an on-line study program.

This isn't just nice. It's HUGE. Because what it means is that parents looking to homeschool their children can do so through our services and they can physically send their students to our premises five days a week or on an as-needed basis:

- Parents don't need to figure out the lesson plans. We do it for them. In fact, we curate the curriculum for an entire grade level for every student including all core subjects (English, Mathematics, Science, and Social Studies) and all supplementary subjects (such as Reading, Spelling, Vocabulary, Research, Electives), and we personalize the curriculum in an easy-to-follow, student-friendly, monthly program.
- Parents don't need to scour the internet in search of books. We provide them.
- Parents don't need to keep up with the state's requirements for grade level completion. We do that too.
- Parents don't have to run around in search of tutors or Reading and Math tutoring centers because we can provide this, too, either in a group setting or on a one-on-one basis.
- Transcripts and official school records? We keep them. Parents do not have to keep track of their student's progress. We keep them informed of it.
- And parents don't have to worry about the nagging "socialization problem" often associated with homeschooling. Although we disagree that homeschoolers lack socialization skills (and research pans us out), our classrooms provide an ample amount of that and our group programs for Theater, Art, Piano, and Character Development amply encourage socialization.

Low Overhead

We want you to succeed. And we feel strongly that our business design allows you to do so by permitting you to increase your overhead only as demand requires it.

NHSA is not in retail spaces. Although you can select a retail location if you're inclined to do so, NHSA locations are comprised of office or flex space. Given that retail space leases are generally more costly than office or flex space leases, this is one of the factors that helps to keep your overhead low.

Another factor is our hours of operation. While our offices are open from 7:30 a.m. to 3 p.m., our classrooms operate from 9 a.m. to 2 p.m. This means that all of your employees are part-timers, ultimately saving you a decent amount of money in wages and salaries and utilities.

You can start with as many employees as you see fit or as demand requires, but you can also start with as little as one employee plus yourself in a 1000 sf location. This helps you to keep your start-up costs down while your enrollments increase.

Speaking of Enrollments...

You determine the grade levels you want to provide services for. But to help you do this, let us explain what you will offer.

At NHHSA, students are invited to work within our classrooms five days a week (the On-Site Study Program) or they can work from home (HomeWork Program™) using our student-friendly programs and come on-site only as they want or need assistance or up to two days per week if the parent selects.

Typically, although this may vary in your area, most homeschooling families prefer the HomeWork Program™. It is very possible, therefore, that you will have twice as many HomeWork Program™ enrollments than you will On-Site program students. And this is a big deal.

It's a big deal because it costs twice as much to provide services for an On-Site student as it does to provide services for a HomeWork Program™ student. Now, this doesn't mean that we recommend you do away with the On-Site classrooms altogether. Not at all. They are what set us apart from the rest of the homeschooling pack. It just means that your income is likely to be quite positively affected by the amount of students you have enrolled in the home-bound program.

There is a natural, symbiotic relationship between the On-Site classrooms and the HomeWork Program™ "classroom." Even though, historically, only about 30% of our home-bound students actually attend our classrooms at any given time, parents *love* the fact that we have a physical location at-the-ready, should they need the help.

Our flagship school has, for 25 years, offered both On-Site and HomeWork Program™ services to all elementary, middle, and high school students. This means we provide both services for grades Pre-Kindergarten through 12th.

On-Site classrooms are integrated. For us, this means that Pre-K through 2nd grade students study in one classroom, 3rd through 6th grade students in another, and 7th through 12th grade students in another.

But this setup is up to you. You may decide you want to have On-Site classrooms for only elementary school students or only middle school students or just high school students (or any combination thereof). This decision is yours to make. Whatever you decide, we strongly recommend that your HomeWork Program™ services include *all* grade levels – Pre-K through 12th.

Why?

Because the HomeWork Program™ is a money-maker. And NHHSA already has prepared, and available to you on an exclusive NHHSA app, the curriculum for all of these grade levels. All you have to do is enroll the student, collect the Enrollment and Tuition fees, open the app, create the program, and print.

We price the HomeWork Program™ services less than the On-Site services, but you may decide to do otherwise. The choice is yours to make.

We also provide an auxiliary program for adult students, ages 18 to 21, who lack 5 credits or less to complete high school and receive their diploma. We call it the Adult Grad Program. For this program, we charge a fee payable every four months (it may take them more than four months to complete) until completion.

All Adult Grad Program students study from home, even though we're available for them to come in to receive assistance with their study questions and problems.

The Adult Grad Program is popular for a few reasons:

1. Some adult students received all of the credits they needed to graduate but did not pass the STAAR test – preventing them from receiving their diploma. Since the state does not require private-school students to take the STAAR test (and no colleges or universities require it as a condition for admission), you can, therefore, enroll the student, acquire the student's records, and issue the diploma. All for a one-time fee. (Note: The state of Texas considers all homeschools to be private schools.) The student can then enroll in the college or university of their choice.
2. Some students just “slacked it” in their senior year or learned too late in the year that they were lacking a credit or two to graduate. NHHSA can solve this problem.

3. Most Adult Grad students prefer to receive a diploma over getting their GED. You're there to help them do this.
4. Some students want to join the military but can't do so with a GED. You have the answer.
5. Employers look more favorably upon a student with a diploma over a student who has received their GED. An entire industry has sprung-up to assist employers in verifying that a potential candidate-for-hire is a high school graduate and many are aware of it, making a high school diploma highly prized.

The NHHSA Franchise

Far from being a tutoring service like Sylvan®, Kumon®, or Mathnasium®, NHHSA's specialty is not one or two subjects. The NHHSA Franchise is not an after-school program. We are a complete schooling program. We provide grade-level study programs that include all subjects and electives in an organized fashion, on a month-to-month basis, personalized to the individual homeschooling student, whether they work in our classrooms or from home.

The Personalized Study Program

Programs are personalized. Why? Because homeschooling students quite often require it. You may have a student who reads at a 5th grade level but whose Math skills are at a 3rd grade level. A personalized program not only accommodates this scenario but provides a path to help a student get on-par with their grade level.

Similarly, you may also have a gifted student who finds the standardly accepted English, Math, or Science curriculum for her grade level to be boring and unchallenging. The personalized program changes the prospects for this student too.

And what of the high school student who knows what he wants and can't wait to get into college so he wants to finish high school in three years tops? A personalized program makes this possible.

The adage that “no one-size-fits-all” holds quite true in the learning arena. NHHSA does not just aim to have good students. NHHSA aims to create an educational experience that cultivates well-informed, well-educated, socially-aware, and success-oriented students that love to learn!

THE OPPORTUNITY

Your Investment & The Support

Your initial Franchise Fee of \$25,000 provides you the use of the NHHSA logo, copyright materials (including student Handbooks, Introductory Materials, promotional handouts & brochures, established curriculum programs, digital books* etc.). It also gives you free use of NHHSA apps, the NHHSA Student Information System, and enrollment and tuition tracking forms.

The Franchise Fee also includes Start-Up Training for you and your staff (travel expenses to our NHHSA Headquarters are strictly your responsibility as are lodging expenses), NHHSA training manuals, and on-going training and support.

As NHHSA curricula, apps, digital books, and other information is updated, you also receive all updates for free.

Basically, we teach you the ropes and are available to help you along the way.

The Franchise Fee covers a term of 10 years. Subsequent to the first ten years, Renewal Fees are available to you at a significant discount of \$10,000 per ten-year term.

Additionally, the zip code you select for your NHHSA franchise operations becomes your protected territory. In other words, although your On-Site students can come from anywhere in your city and your HomeWork Program™ can come from anywhere in the world, we will not license another NHHSA franchise to stand in your selected, and operational, zip code area.

*The Franchise Fee does not include the cost of non-digital books.

Set Up Costs & Royalties

Set-up costs will vary from area to area, but we estimate that your start-up costs will range between \$25,000 and \$50,000. The estimate for start-up costs includes property lease, insurance, office and classroom furnishings, equipment, cable and internet and other utilities or utility deposits, property signs, and primary source textbooks. Operating and marketing costs are not included.

Royalties are set at 7% of gross revenue after a 6-month grace period following launch. This means that for the first six months after your doors are open to receive enrollments you will not pay royalties. We aim to give you a strong leg-up.

Return on Investment

The amount of time required to receive a return on your investment will depend on many factors which you largely control. But with this being taken into account, we can confidently say that if you follow our recommendations and you are priced right, you can expect to begin seeing profits, approximately, when you reach 40 student enrollments. And you should be able to reach this mark well before the end of your first year in operation.

Achieving your goals is our ultimate success. So, we are here to provide you with the support you need to do so.

WHERE TO START

The Franchise Application

To move forward in the process of acquiring your own NHHSA Franchise, begin by completing the NHHSA Franchise Application included with this package. Once submitted and approved, federal law requires us to send you the Franchise Disclosure Document or FDD.

The FDD contains comprehensive details about the NHHSA Franchise Group, LLC, giving you the opportunity to review our enterprise in detail and decide if you want to move forward. Federal law requires us to give you a minimum of 14 days to review the risks and benefits of investing in an NHHSA Franchise. It also permits you to review the NHHSA Franchise Agreement – the legally binding document we both sign should your final decision be in favor of our franchise.

The NHHSA Franchise Agreement sets forth what we require of you while operating an NHHSA Franchise. Once signed, it is official! We are in business together and you are ready to embark on the process of training for and operating your own NHHSA Franchise.

IN CLOSING

Thank you again for your interest in an NHHSA Franchise. Please call us with any questions that develop in your review of this Investor's Package or if you encounter difficulties in completing the NHHSA Franchise Application. We are here to help.

In closing, we want to extend an Open Invitation to you and yours to tour our flagship school in El Paso, Texas if you wish to spend some time to see us in action. We are available to meet with you year-round.

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