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Department of
Business Oversight

Franchise Disclosure Document

The C12 Group, LLC®, A Texas Limited Liability Company
13403 George Road
San Antonio, TX 78230
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The C12 Group® provides specified services on a fee for service basis to member Christian business CEOs, owners and presidents, as well as their selected key staff members, including conduct of monthly Advisory Board meetings, one-on-one consultation sessions, and selected seminars and mentoring processes.

The total investment necessary to begin operation of a C12 franchised business is \$47,500 to \$108,000. This includes \$45,000 to \$106,000 that must be paid to the franchisor or its affiliate(s).

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully. You must receive this disclosure document at least fourteen (14) calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate of the franchisor in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different forms, contact The C12 Group, LLC, 13403 George Rd., San Antonio, TX 78230 or call The C12 Group at (210) 767-6200.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire 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 "Buying a Franchise, A Consumer Guide" 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 Ave., NW, Washington, D.C. 20850. 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.

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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.

Registration of this franchise with the state does not mean that the state recommends it or has verified the information in this disclosure document. If you learn that anything in this disclosure document is untrue, contact the Federal Trade Commission and the Commissioner of Corporations, Department of Business Oversight of the State of California.

Neither the franchisor nor any franchise broker is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such entity or persons from membership in such association or exchange.

Call the state franchise administrators listed in Exhibit C 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.

RISK FACTORS:

THE FRANCHISE AGREEMENT REQUIRES THAT ALL DISAGREEMENTS BE SETTLED BY CHRISTIAN MEDIATION/ARBITRATION IN TEXAS PURSUANT TO WHICH THE PARTIES SHALL ENGAGE THREE BIBLE-BELIEVING CHRISTIAN ARBITRATORS AS FOLLOWS: ONE SELECTED BY THE FRANCHISEE, ONE SELECTED BY THE FRANCHISOR, AND ONE SELECTED BY SUCH TWO ARBITRATORS. THE REMEDY RECOMMENDED BY THE ARBITRATION PANEL WILL BE BINDING AND FINAL WITH NO FURTHER RECOURSE BY EITHER PARTY. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT ALSO MAY COST YOU MORE TO ARBITRATE WITH US IN TEXAS THAN IN YOUR OWN STATE.

IF YOU FAIL TO PASS THE INITIAL TRAINING WEEK AND REMEDIATION EFFORTS, WE HAVE THE RIGHT TO RESCIND THIS FRANCHISE AGREEMENT. IF YOU FAIL TO MEET MINIMUM REQUIRED LEVELS OF TARGET MARKET PENETRATION, WE HAVE THE RIGHT TO REDEFINE EXCLUSIVE AND NON-EXCLUSIVE TERRITORY DEFINITIONS UNILATERALLY OR UPON THE REQUEST OF ANOTHER PROSPECTIVE FRANCHISEE, BUT WE WILL ENDEAVOR TO JOINTLY DISCUSS AND PLAN SUCH CHANGES IN ADVANCE.

IF YOU FAIL TO MEET MINIMUM REQUIRED LEVELS OF TARGET MARKET PENETRATION (i.e,

33% of Baseline Target within 24 months and 50% within 36 months of becoming a franchisee), C12 HAS THE UNILATERAL RIGHT TO REDEFINE EXCLUSIVE AND NON-EXCLUSIVE TERRITORY DEFINITIONS, BUT WILL ENDEAVOR TO JOINTLY DISCUSS AND PLAN SUCH CHANGES IN ADVANCE. EACH FRANCHISEE'S BASELINE TARGET IS ESTABLISHED ON A CASE-BY-CASE BASIS. BASELINE TARGET IS DEFINED IN ITEM 15 (FA, SECTION 1)

THE FRANCHISE AGREEMENT CONTAINS PROVISIONS THAT LIMIT FRANCHISEE'S RIGHTS AND MAY BE ENFORCEABLE IN CALIFORNIA INCLUDING BUT NOT LIMITED TO A TIME LIMIT TO RAISE CLAIMS AGAINST THE FRANCHISOR, LIMITATION OF DAMAGES AND WAIVER OF JURY TRIAL.

THE FRANCHISE AGREEMENT STATES THAT TEXAS 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.

ALL OWNERS OF THE FRANCHISE WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE MARITAL ASSETS OF THE SPOUSES DOMICILED IN COMMUNITY PROPERTY STATES -- ARIZONA, CALIFORNIA, IDAHO, LOUISIANA, NEVADA, NEW MEXICO, TEXAS, WASHINGTON AND WISCONSIN -- AT RISK IF YOUR FRANCHISE FAILS.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Information about comparisons of franchisors is available. Call the state administrators listed in Exhibit C or your public library for sources of information. Registration of this franchise with any particular state does not mean that such state recommends it or has verified the information in this disclosure document. If you learn that anything in this disclosure document is untrue, contact the Federal Trade Commission and the state administrator for your state.

Effective Date: See the next page for state effective dates.

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