

JUL 10 2017

Department of
Business Oversight

FRANCHISE DISCLOSURE DOCUMENT



Christian Brothers
AUTOMOTIVE

Christian Brothers Automotive Corporation
a Texas Corporation
17725 Katy Freeway, Suite 200
Houston, Texas 77094
(281) 675-6100 Telephone
(281) 675-6119 Fax
jwall@cbac.com
www.ChristianBrothersAutomotive.com

Christian Brothers Automotive Corporation offers a franchised business for repairing and servicing automotive vehicles. The total investment necessary to begin operation of a new Christian Brothers Automotive franchised business is \$458,950 to \$555,350. This includes \$347,000 to \$355,000 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 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 disclosure in different formats, contact Josh Wall at 17725 Katy Freeway, Suite 200, Houston, Texas 77094, (281) 675-6100, joshwall@cbac.com

The terms of your contract will govern your franchise relationship. Do not rely on the Disclosure Document alone to understand your contract. Read all of your contracts carefully. Show your contracts and this Disclosure Document to an advisor, like a lawyer and/or an accountant.

Buying a franchise is a complex investment, and as with any investment, there is the possibility of losing your investment. The information in this Disclosure Document can help you make an informed business decision. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*", which may help you understand how to use this Disclosure Document, is available from the Federal Trade Commission ("FTC"). 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.

Issuance date April 11, 2017, as amended June 20, 2017

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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**

Call the state administrators listed in Exhibit E 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 YOU TO RESOLVE DISPUTES WITH US BY BINDING ARBITRATION ONLY IN TEXAS. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN TEXAS THAN IN YOUR OWN STATE.
- 2 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 LAWS.
- 3 YOUR SPOUSE MUST SIGN A SPOUSE'S CONSENT AND AN ACKNOWLEDGMENT CONSENTING TO THE FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. THIS WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.
- 4 AS PER OUR AUDITED BALANCE SHEET DATED DECEMBER 31, 2016, WE HAD A WORKING CAPITAL DEFICIENCY OF (\$1,018,127)
- 5 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

State registration effective dates appear on the following page

STATE EFFECTIVE DATES

The effective dates of this Disclosure Document in the states listed below are

STATE	EFFECTIVE DATE
California	
Hawaii	
Illinois	April 28, 2017, as amended _____
Indiana	May 1, 2017
Maryland	
Michigan	June 27, 2016
Minnesota	June 1, 2017, as amended _____
New York	
North Dakota	
Rhode Island	
South Dakota	May 1, 2017
Virginia	May 31, 2017, as amended _____
Washington	June 7, 2017, as amended _____
Wisconsin	May 19, 2017, as amended _____

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