

FRANCHISE DISCLOSURE DOCUMENT**CMIT Solutions, LLC**

a Texas limited liability company

500 N. Capital of Texas Hwy.

Bldg 6 Ste 200

Austin TX. 78746

800-710-CMIT (2648) www.cmitsolutions.com

As a franchisee you will operate an information technology (“IT”) services business under the name “CMIT Solutions[®]” offering a wide variety of IT services, including professional and managed services, along with alliance partner product and service offerings primarily to small businesses.

The total investment necessary to begin operation of a CMIT Solutions franchise is \$127,970 to \$175,350. This includes \$49,950 to \$57,700 that must be paid to the franchisor or its affiliate. The total investment necessary to convert an existing business to become a CMIT Solutions Affiliate franchise under our Affiliate Program is \$44,445 to \$69,810. This includes \$24,975 to \$43,960 that must be paid to the franchisor or its affiliate.

Multi Unit - If you develop and operate more than one *CMIT Solutions* Franchise (minimum of 2), you will sign a Multi-Unit Agreement in addition to the Franchise Agreement, permitting you to develop the agreed upon number of additional franchises. The total investment necessary to begin operation of a CMIT Solutions multi-unit franchise depends on the number of units to be developed, and will be a multiple of the single unit figures in the previous paragraph.

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 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 for you. To discuss the availability of disclosures in different formats, contact the Franchise Administration Department at 500 N. Capital of Texas Hwy, Bldg 6 Ste 200, Austin TX 78746; telephone number 800-710-CMIT (2648).

The terms of your agreement 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, DC 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.

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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 franchise administrator listed in **Exhibit A** 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:

1. THE FRANCHISE AGREEMENT, AND ANY FRANCHISE AGREEMENT THAT YOU SIGN PURSUANT TO THE MULTI-UNIT AGREEMENT, REQUIRES THAT ALL DISAGREEMENTS BE SETTLED BY MEDIATION, ARBITRATION, OR LITIGATION IN AUSTIN, TEXAS. OUT OF STATE MEDIATION, ARBITRATION, OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE, OR LITIGATE WITH US IN TEXAS THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT, AND ANY FRANCHISE AGREEMENT THAT YOU SIGN PURSUANT TO THE MULTI-UNIT 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.
3. YOU MUST MAKE MINIMUM ROYALTY OR ADVERTISING FUND PAYMENTS, REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.
4. 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 for referring you to us. You should be sure to do your own investigation of this franchise.

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

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

The Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

STATE	EFFECTIVE DATE
CALIFORNIA	[pending]
HAWAII	[pending]
ILLINOIS	[pending]
INDIANA	[pending]
MARYLAND	[pending]
MICHIGAN	[pending]
MINNESOTA	[pending]
NEW YORK	[pending]
RHODE ISLAND	[pending]
SOUTH DAKOTA	[pending]
VIRGINIA	[pending]
WASHINGTON	[pending]
WISCONSIN	[pending]

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