

FRANCHISE DISCLOSURE DOCUMENT [FDD]



Downunder Horsemanship Franchising, LLC
a Texas limited liability company
13635 FM 3025
Stephenville, TX 76401
www.downunderhorsemanship.com
msims@downunderhorsemanship.com
479-267-9900

The franchise is a horse training business that offers wild horse training services for horse owners, including individuals and ranching companies. This is a service-oriented business that provides training for wild and domesticated horses to serve ranching functions and other horsemanship activities under the name “Downunder Horsemanship Franchising, LLC.” The total estimated initial investment necessary to begin operation of a Downunder Horsemanship Franchising, LLC franchise ranges from \$33,436 to \$36,086 for a Method Ambassador level franchise and \$42,086 to \$43,986 for a Certified Clinician level franchise or Professional Clinician level franchise, which will depend on a number of factors which are further discussed in Item 7. These figures include the \$1,500 Initial Franchise Fee for a Method Ambassador or the \$5,000 Initial Franchise Fee for a Certified Clinician or Professional Clinician (as discussed in Item 5) that must be paid to the Franchisor or its affiliate.

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:

Downunder Horsemanship Franchising, LLC
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Melissa Sims
P.O. Box 1495
Farmington, AR 72730
479-267-9900

The terms of your contract 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 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, N.W., Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call you 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 state franchise administrator listed in Exhibit B 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 REQUIRES THE FRANCHISEE TO MEDIATE OR ARBITRATE ONLY IN TEXAS. OUT OF STATE MEDIATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH DOWNUNDER HORSEMANSHIP FRANCHISING, LLC IN TEXAS THAN IN YOUR HOME 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 LAWS. YOU MAY WANT TO COMPARE THESE LAWS. YOUR STATE LAW MAY SUPERSEDE THIS PROVISION AND IT MAY NOT BE ENFORCEABLE IN YOUR STATE. SEE SPECIAL STATE DISCLOSURES IN THE STATE ADDENDA TO THE FRANCHISE AGREEMENT AND THIS DISCLOSURE DOCUMENT.**
- 3) **YOUR GEOGRAPHIC AREA IS NOT AN EXCLUSIVE GEOGRAPHIC AREA.**
- 4) **THE FRANCHISEE'S SPOUSE MUST SIGN A PERSONAL GUARANTY MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT WHICH ALSO PLACES THE SPOUSE'S PERSONAL ASSETS AT RISK. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.**

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