

CARNALL FRANCHISE GROUP
7401 Featherston Cove
Olive Branch, Mississippi 38654
Phone (901) 496-0206
george@extracreditdonations.com

April 21, 2026

Geoff Spray
Supervisor - Securities Unit
Securities Registration Division
85 - 7th Place East
Suite 280
St. Paul, MN 55101

Re: Response to Deficiency Notice 35753-202604
Lil' Angels, LLC

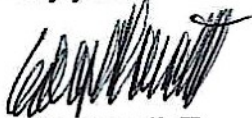
Dear Mr. Spray:

I have copied the Blacklined and Clean pages that correct the deficiencies you noted. I was unclear whether you wanted to see just the pages or the entire document. Therefore, in addition to the pages, I have prepared and submitted the entire Clean copy of the FDD.

Based upon the filed documents, I would respectfully request that you approve the application of the Franchise Disclosure Document for Lil' Angels, LLC to sell franchises in the state of Minnesota. However, if you have any questions, please contact me.

Thank you for your courtesy and cooperation in handling this matter.

Very truly yours,



George H. Carnall, II
GHCI/ jsc
Enclosure
cc: Lil' Angels

q. Non-competition covenants during the term of the franchise	Section 7	You may not participate in any business that is in any way competitive with a Lil' Angels franchise <u>(subject to applicable state law)</u> .
r. Non-competition covenants after the franchise is terminated or expires ⁽¹⁾	Section 7.2	You may not participate in any business that is in any way competitive with a Lil' Angels franchise and which is within fifty miles of your territory or the territory of any other franchise owner for two years after termination or expiration of your Franchise Agreement <u>(subject to applicable state law)</u> .
s. Modification of the agreement	Section 15.4	Must be in writing, signed by you, and accepted by Lil' Angels, manuals may be revised by us unilaterally
Provision	Section in Franchise Agreement⁽⁴⁾	Summary
t. Integration/merger clause	Section 15.3	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the Franchise Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 10	All disputes are first subject to arbitration in Cleveland, Bradley County, Tennessee
v. Choice of forum ⁽³⁾	Section 15.12	Arbitration must be in Cleveland, Bradley County, Tennessee
w. Choice of law ⁽³⁾	Section 15.11	The governing law will be the law of the state of Tennessee.

Notes:

- (1) This state may have statutes and court decisions that may supersede the provisions of the Franchise Agreement in your relationship with us including the areas of termination, a limitation on the post termination noncompetition covenant and renewal of your franchise.
- (2) Provisions of your Franchise Agreement giving Lil' Angels the right to terminate in the event of your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Sec. 101, et seq.).
- (3) The Franchise Agreement requires binding arbitration. The arbitration will occur at Cleveland, Tennessee with the costs being borne by the losing party. Further, the Franchise Agreement requires application of the laws of the state of Tennessee. However, Minnesota Statutes, Section 80C.21, and Minnesota Rule 2860.4400(J) prohibit the Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the Franchise Owner to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Public Offering Statement or Franchise Agreement can abrogate or reduce any

Provision	Section in Franchise Agreement ⁽¹⁾	Summary
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p. Death or disability of franchisee	Section 12	No automatic transfer through probate; heirs must qualify (See (l) & (m) above)
q. Non-competition covenants during the term of the franchise	Section 7	You may not participate in any business that is in any way competitive with a Lil' Angels franchise (subject to applicable state law).
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MINNESOTA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

1. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE, AND NOT MISLEADING.
2. THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.
3. Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statute 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
4. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases)
 - that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and
 - that consent to the transfer of the franchise will not be unreasonably withheld.
5. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

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