

The Champion Group, Inc.
Form CRS Customer Relationship Summary
June 29, 2020

Introduction:

The Champion Group, Inc. (“We”) is registered with the Securities and Exchange Commission (“SEC”) as a broker-dealer and is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

What Investment Services and Advice Can You Provide Me?

We are a FINRA registered securities broker-dealer based in Shavano Park, Texas licensed to offer securities in 44 states. We have been a licensed securities broker-dealer with the SEC and with FINRA since 1988.

We are limited to offering direct participation programs involving oil and gas exploration, development and production investments and are affiliated with a sponsor of such investment programs, Venture Exploration Corp., dba Combined Resources Group. We are sell side only and do not resell securities for customers in secondary sales. The Champion Group, Inc. has been the sole placement agent for Combined Resources Group’s (or its predecessor’s) offerings since 1988.

While oil and gas exploration, development and production investments may be in your best interest for some portion of your investment portfolio, you should not allocate all of your investment funds to any such program. As part of our compliance obligations we will ask about your income, other assets and investments, risk tolerance, liquidity and investment objectives. However, we are not preparing a financial plan for you.

We will not exercise investment authority over your investment funds. You will have the sole discretion as to whether to invest in oil and gas exploration, development and production offerings. We will not provide general investment monitoring oversight for investments other than the oil and gas exploration, development and production investments made through us. We do not have account minimums and we do not hold customer funds. Each specific investment in an oil and gas exploration, development and production joint venture is made directly with the sponsor and will include a minimum investment amount specific to that offering.

Our oil and gas exploration, development and production offerings are not registered with the Securities and Exchange Commission or any State. The investments we offer are illiquid. Investors should expect to hold their investments and not be able to liquidate such investments on a secondary market. Further, our investment offerings carry risks inherent in oil and gas exploration, development and production, including low commodity price environments for oil and gas, equipment failures, dry holes, reserve risk, potential litigation, financial strength of the Sponsor, potential changes to tax laws and more. Please read the Risk Factors section in the Offering Memorandums.

Conversation Starter. Ask your financial professional:

- ***Given my financial situation, should I choose a brokerage service? Why or why not?***
- ***How will you choose investments to recommend to me?***
- ***What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?***

What fees will I pay?

The Champion Group, Inc. will receive up to a fifteen percent (15%) syndication fee on your investment in oil and gas exploration, development or production joint ventures sponsored by Combined Resources Group. The Champion Group, Inc. will reallocate material portions of the syndication fee you pay to its registered brokers who present the investment opportunity to you. Further, brokers may receive revenue from a carried participation in the oil and gas wells offered by The Champion Group, Inc. as further incentive compensation through Champion Partners IV, a control affiliate of Combined Resources Group and The Champion Group, Inc. The description of such compensation for each offering will be included in the offering memorandum for such offering.

You will pay fees and costs whether you make or lose money on your investments. Please make sure you understand what fees and costs you are paying. For additional information, please see the offering memorandum for such offering.

Conversation Starter. Ask your financial professional: Help me understand how these fees and costs might affect my investments. If I invest \$100,000 in one or more of the offerings you present, how much will go to fees and costs, and how much will be invested for me.

What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they affect the recommendations we provide to you. Here are some examples to help you understand what this means.

We have significant conflicts of interest in recommending products to you because we offer only one type of product; investments in oil and gas exploration, development and production joint ventures, organized by one sponsor, Combined Resources Group. Moreover, that sponsor is under the same control and ownership as our broker-dealer. This means:

- While our affiliate, Combined Resources Group, has considered numerous possible oil and gas prospects for each oil and gas joint venture we offer, we have not considered investments offered by other oil and gas exploration, development and production sponsors.
- Our affiliate, Combined Resources Group, sets the terms of the offerings including price, use of proceeds and business plan based upon their experience from participating in more than 400 wells over more than 30 years, without review or input from third parties other than oil and gas professionals such as prospect generators, operators and experienced geoscience consultants.
- Employees of the broker-dealer, The Champion Group, Inc., may indirectly receive revenue from the investor's oil and gas well through a control affiliate, Champion Partners IV, at the discretion of Champion Partners IV management, whether these employees place the offered oil and gas investments or not.
- You should carefully review the risk factors and conflicts of interest disclosures in the joint venture offering memorandums. We believe those disclosures and our discussions with you about them help to meet our legal obligations under Regulation Best Interest ("Reg BI").

Conversation Starter. Ask your financial professional how might their conflicts of interest affect me and how will you address them?

How do your financial professionals make money?

Our brokers are compensated through commissions as a percentage of the funds paid by the customer. Our brokers and other employees may also receive revenue from an allocation of a to-be-determined carried interest in oil and gas wells in which investors participate through joint ventures sponsored by Combined Resources Group. Brokers and registered principals are not compensated through sales contests. From time to time brokers, principals and other employees are invited to attend due diligence trips to well sites, paid for by Combined Resources Group. These trips may include transportation, lodging, meals and social activities such as fishing. *For additional information, please see the offering memorandum for such offering.*

Do your financial professionals have legal or disciplinary history?

Yes. Visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Conversation Starter. Ask your financial professional: As a financial professional, do you have any disciplinary history? For what type of conduct?

Additional information

For additional information about our services, visit our website at www.championgroup.com. If you would like additional, up-to-date information or a copy of this disclosure, please call 210-490-1482.

Conversation starter. Ask your financial professional: Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?