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JUN 09 2014



FRANCHISE DISCLOSURE DOCUMENT

Captain D's, LLC
 A Delaware limited liability company
 624 Grassmere Park Drive, Suite 30
 Nashville, Tennessee 37211
 (615) 391-5461
 www.captands.com

With this Franchise Disclosure Document (this "Disclosure Document"), Captain D's, LLC is offering a franchise to operate a Captain D's restaurant

The total investment necessary to begin operation of a Captain D's franchise for each type of restaurant and location offered, excluding the cost to purchase or lease your real estate, but including the \$25,000 initial franchise fee that you must pay to us, ranges as follows: ~~Seafood Kitchen Prototype (95 Seats)~~
~~\$ 1,011,000 to \$1,281,400~~ from \$801,000 to \$1,028,000 for the current Captain D's prototype restaurant

- ~~• End Cap or Inline Prototype (40 to 78 Seats)~~ \$ 446,000 to \$ 688,000
- ~~• Non-traditional Location~~ \$ 206,000 to \$ 533,000

You must pay one-half of the initial franchise fee for each Captain D's restaurant you plan to develop as a non-refundable development fee when you sign a development agreement with us

This Disclosure Document summarizes certain provisions of your development agreement, 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, us or any of our affiliates in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this Disclosure Document**

You may wish to receive this Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact the Franchise Development Department at 624 Grassmere Park Drive, Suite 30, Nashville, Tennessee 37211, 800-550-4877

The terms of your contract will govern your franchise relationship. Don't rely on this 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

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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 (the “FTC”). 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 also can 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.

Your state also may have other laws on franchising. Ask your state agencies about them.

The issue date of this Disclosure Document is May 1, ~~2013~~ 2014.

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 A 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 AS OF THE END OF ITS LAST FISCAL YEAR (DECEMBER 30, 2012/29, 2013), OUR GUARANTOR (CAPTAIN D'S EQUIPMENT, LLC) HAD NEGATIVE WORKING CAPITAL OF \$544,380-16,689. IT HAD ONLY \$61290,383 IN CURRENT ASSETS AND HAD \$544,992107,072 IN CURRENT LIABILITIES. THAT MEANS THAT FOR EVERY DOLLAR OF LIABILITIES DUE WITHIN ONE YEAR, IT HAD ONLY \$0-0010,84 IN CURRENT ASSETS. AS A RESULT, FOR FRANCHISES SOLD IN THE STATES OF HAWAII, CALIFORNIA, ILLINOIS, MARYLAND, MINNESOTA, NORTH DAKOTA, VIRGINIA AND WASHINGTON, WE HAVE AGREED TO DEFER ALL INITIAL FRANCHISEE FEES AND OTHER PAYMENTS TO US AND OUR AFFILIATES UNTIL WE HAVE MET ALL OF OUR PRE-OPENING OBLIGATIONS AND YOU HAVE OPENED YOUR RESTAURANT.

2 OUR GUARANTOR (CAPTAIN D'S EQUIPMENT, LLC) ALSO IS A CO-GUARANTOR OF OUR SECURED DEBT AND HAS PLEDGED SUBSTANTIALLY ALL OF ITS ASSETS AS COLLATERAL TO SECURE THE PAYMENT OF OUR DEBT. AS OF DECEMBER 30, 2012,29, 2013, THE AGGREGATE AMOUNT OF OUR DEBT EQUALED APPROXIMATELY \$34-7111,7 MILLION.

3 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN NASHVILLE, TENNESSEE. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT ALSO MAY COST MORE TO SUE US IN NASHVILLE, TENNESSEE, THAN IN YOUR HOME STATE.

4 IF WE TERMINATE YOUR FRANCHISE AGREEMENT AFTER YOU BREACH IT, WE MAY RECOVER OUR FUTURE ROYALTIES FOR THE LESSER OF THREE YEARS OR THE REMAINING TERM OF THE AGREEMENT BASED ON YOUR AVERAGE ROYALTIES DURING THE PRECEDING THREE YEARS.

(State Cover Page Continues on Next Page)

5 WE MAY USE FRANCHISE BROKERS TO ASSIST US IN SELLING OUR FRANCHISE. A FRANCHISE BROKER OR REFERRAL SOURCE REPRESENTS US, NOT YOU.

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