

## FRANCHISE DISCLOSURE DOCUMENT

GREAT AMERICAN DEALS FRANCHISING, LP A DELAWARE LIMITED PARTNERSHIP 132 LASKY DRIVE 1<sup>ST</sup> FLOOR BEVERLY HILLS, CA 90212 (310) 550 - 9300 www.greatamericandeals.com

business@greatamericandeals.com

DEPARTMENT OF CORPORATIONS RECEIVED LOS ANGELES OFFICE

OCT 04 2012



The franchise offered is for a single Great American Deals business that solicits merchants located in a specific geographic area to market vouchers, coupons, loyalty systems, incentives or deals (collectively, "Deals") to consumers in a hyper-local commerce marketplace (presently implemented through our website) for that specific geographic area ("GAD Business"). The total investment necessary to begin operation of a GAD Business franchise ranges from \$49,500 to \$71,250. This includes the initial franchise fee of \$35,000 for complete, contiguous zip codes with approximately a population of 250,000 persons plus \$100.00 for each 1,000 persons over 250,000 within the identified territory, that must be paid to the franchisor or its affiliates.

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 governmental 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 disclosure in different formats, contact Michael Silber at 132 Lasky Drive 1<sup>st</sup> Floor Beverly Hills, California 90212

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 an attorney 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, D.C. 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

Issuance date September 30, 2012



## 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 administrators listed in Exhibit G 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

- THE FRANCHISE AGREEMENT REQUIRED YOU TO RESOLVE DISPUTES WITH US BY LITIGATION OR MEDIATION ONLY IN CALIFORNIA OUT-OF-STATE LITIGATION OF MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES, IT MAY ALSO COST MORE TO SUE OR MEDIATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE
- 2. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE LAWS
- 3 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

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

State	Effective Date	State	Effective Date ***
Calıfornıa		New York	
Hawaii		North Dakota	
Illinois		Rhode Island	
Indiana		South Dakota	
Maryland		Virginia	
Michigan		Washington	
Minnesota		Wisconsin	

In all the other states, the effective date of this disclosure document is the issuance date of September 30, 2012



## The State of Michigan requires us to include the following notice in the Disclosure Document

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you

- (a) A prohibition on the right of a franchisee to join an association of franchisees
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to
  - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards

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