

FRANCHISE DISCLOSURE DOCUMENT

Mason's Lobster Franchising, LLC

a Delaware limited liability company

188 Main Street

Annapolis, Maryland 21401

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The franchise offered is for a counter service, family friendly restaurant specializing in authentic Maine lobster rolls, soups and salads, in a fast casual setting, under the name “Mason’s Famous Lobster Rolls”. A Mason’s Famous Lobster Roll restaurant (“Franchised Business” or “Restaurant”) offers lunch and dinner menus for dine-in or take-away, using the franchisor’s proprietary recipes, techniques, trade dress, trademarks and logos.

The total investment necessary to begin operation of a Mason’s Famous Lobster Rolls franchise is \$127,900 to \$359,100. This includes between \$25,000 and \$27,500 that must be paid to the franchisor or its affiliate.

If you sign a Multi-Unit Operator Agreement to develop at least two Restaurants, upon signing the Multi-Unit Operator Agreement you will pay a development fee equal to \$27,500 for the first Restaurant to be developed plus a deposit of \$11,250 multiplied by each additional Restaurant to be developed under the Multi-Unit Operator Agreement. The development fee is applied *pro rata* to the initial franchise fees due for each Restaurant developed after the first one. The total investment necessary to begin operation as a Mason’s Famous Lobster Roll Multi-Unit Operator with a two-store agreement is \$142,650 to \$373,350. This includes \$38,750 that must be paid to the franchisor and/or its affiliate, as appropriate.

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 the 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 Richard Sharoff at richard@masonslobster.com, and 188 Main Street, Annapolis, Maryland 21401

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 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, DC 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.

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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 I 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 AND MULTI-UNIT OPERATOR AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND ARBITRATION ONLY IN DELAWARE. OUT-OF-STATE MEDIATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE AND ARBITRATE WITH US IN DELAWARE THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND MULTI-UNIT OPERATOR AGREEMENT STATE THAT DELAWARE LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.
4. A FRANCHISEE WILL BE REQUIRED TO MAKE AN INITIAL INVESTMENT OF FROM \$127,900 TO \$359,100 WHICH EXCEEDS THE FRANCHISOR'S MEMBERS' EQUITY IN THE AMOUNT OF \$13,925 AS AT DECEMBER 31, 2017.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective date: See the next page for state effective dates

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