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FRANCHISE DISCLOSURE DOCUMENT



Seacrets Franchising, LLC
a Maryland limited liability company
117 West 49th Street
Ocean City, Maryland 21842
Telephone: 410-524-4900 | Fax: 410-723-4347
E-mail: Franchise@seacrets.com
Website: www.seacrets.com

A franchisee operating under our system, using our marks (such as "Seacrets") will operate a business (a "Seacrets Business") featuring a restaurant, bars, entertainment and merchandise, a nightclub (in certain circumstances), and a hotel (in certain circumstances), in a relaxed Jamaican-style atmosphere with island flair.

The total investment necessary to begin operation of a Standard Seacrets Business ranges from \$1,639,333 to \$3,061,667. This includes \$45,000 that must be paid to us or our affiliate.

The total investment necessary to begin operation of an Expanded Seacrets Business ranges from \$2,981,667 to \$3,787,833. This includes \$45,000 that must be paid to us or our affiliate.

Some Seacrets Businesses operate a hotel as part of the business. If you sign a Hotel Addendum, which would entitle you to operate a hotel in connection with the Seacrets Business, your estimated total investment necessary to begin operation of the Hotel will range from \$14,435,000 to \$22,380,000. This includes the same initial fee of \$45,000 for the Seacrets Business that must be paid to us or our affiliate.

Some Seacrets Businesses operate a nightclub as part of the business. If you sign a Nightclub Addendum, which would entitle you to operate a nightclub in connection with the Seacrets Business, your estimated total investment necessary to begin operation of the nightclub will range from \$2,636,333 to \$2,976,333. This includes the same initial fee of \$45,000 for the Seacrets Business that must be paid to us or our affiliate.

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 disclosures in different formats, contact Gary Figgs at 117 West 49th Street Ocean City, Maryland 21842, telephone (410) 524-4900.

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, 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.

The issuance date of this Franchise Disclosure Document is April 15, 2013.

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 D 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 PERMITS THE FRANCHISEE TO MEDIATE, AND IF NOT SUCCESSFUL, LITIGATE ONLY IN MARYLAND. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE OR LITIGATE WITH THE FRANCHISOR IN MARYLAND THAN IN YOUR HOME STATE.
- *2. THE FRANCHISE AGREEMENT STATES THAT THE LAW OF MARYLAND GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- *3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

*Local law may supersede these franchise agreement provisions. Certain states require the superseding provisions to appear in an addendum in this disclosure document (see Exhibits I and J of this disclosure document).

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin; as well as exemption from the business opportunity registration requirements in Florida, Kentucky, Nebraska, Texas, and Utah.

The effective dates of this Disclosure Document in the states listed below are:

STATES	EFFECTIVE DATE
Maryland	
New York	
Virginia	

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