

FRANCHISE DISCLOSURE DOCUMENT



Serendipity Labs Franchise International, LLC
a Delaware limited liability company
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As a SERENDIPITY LABS® franchisee, you will operate a membership-only and hospitality-focused facility which offers members such as mobile workers, telecommuters, business travelers and project teams access to co-working, meeting and event accommodations and services, as well as reception, telecommunications, Internet, data transmission, videoconferencing and related business support products and services, under a range of access options (day passes, 5 days/month, 10 days/month, unlimited co-working access/month, etc.).

The total investment necessary to begin operation of a SERENDIPITY LABS franchised business ranges from \$611,100 to \$2,900,400. This includes \$97,500 to \$248,200 that must be paid to franchisor and its affiliates. The total investment necessary to obtain development rights for Labs ranges from \$60,000 to \$180,000 (for 3 to 9 additional Labs), all of which must be paid to franchisor.

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, 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 Kristen Pike Baldon, 700 Church Street, Unit 806, Nashville, Tennessee 37203, kpike@serendipitylabs.com, (404) 312-8860.

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 be laws on franchising in your state. Ask your state agencies about them.

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SERENDIPITY LABS-0419

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 M 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 DEVELOPMENT AGREEMENT REQUIRES YOU TO ARBITRATE OR LITIGATE WITH US ONLY IN THE STATE IN WHICH OUR PRINCIPAL BUSINESS ADDRESS IS THEN LOCATED (CURRENTLY, CONNECTICUT). OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT ALSO MAY COST MORE TO ARBITRATE OR LITIGATE WITH US IN THE STATE IN WHICH OUR PRINCIPAL BUSINESS ADDRESS IS THEN LOCATED THAN IN YOUR OWN STATE.
2. CONNECTICUT LAW GOVERNS THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE FRANCHISOR'S FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (SEE ITEM 21), CALLS INTO QUESTION THE FRANCHISOR'S FINANCIAL ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU.
4. UNDER THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT, YOUR TERRITORY IS NOT EXCLUSIVE. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR-OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS WE CONTROL.
5. YOU MAY BE REQUIRED TO MAKE MINIMUM ROYALTY FEE PAYMENTS, REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.

6. 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 Dates: See next page for effective dates in various jurisdictions.

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