

highlighted  
changed  
pages

## FRANCHISE DISCLOSURE DOCUMENT

Spice Merchants®  
Spice & Tea Merchants®

Spice Merchants Entities Corp  
a Michigan corporation  
103 Butler Street  
P O Box 130Saugatuck, Michigan 49453  
Phone (616) 366-6958  
E-mail [spicemerchants@msn.com](mailto:spicemerchants@msn.com)  
Website [www.spicemerchants.biz](http://www.spicemerchants.biz)

RECEIVED

APR - 6 2017

Department of Business Oversight  
Los Angeles Office

As a franchisee you will operate a retail business offering spices, teas and related items using our prescribed methods under the trade name, Spice Merchants or Spice & Tea Merchants

The total investment necessary to begin operations of a Spice Merchants franchise ranges from \$77,400 to \$166,500 as more fully described in ITEM 7 This amount includes \$25,000 to \$30,000 as an initial franchise fee that must be paid to the franchisor or affiliate as more fully described in ITEM 5

This disclosure document summarizes certain provisions of your franchise and license agreement and other information in plain English Read the disclosure document and all 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 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 to you To discuss the availability of disclosures in different forms, contact Spice Merchants Entities Corp at 103 Butler Street Saugatuck, MI 49453 by mail or (616) 366 6958

The terms of you or contract will govern your franchise relationship Do not rely upon 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 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](http://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

Issued March 15, 2017

(03/2017)

© Spice Merchants Entities Corp 2017

## **ITEM 1 THE FRANCHISOR AND ITS PARENTS, PREDECESSORS AND AFFILIATES**

To simplify the language in this offering circular "Spice Merchants," 'it,' 'our,'"us,' or ' we ' refers to Spice Merchants Entities Corp , the franchisor "You" means the person who buys the franchise

The franchisor, Spice Merchants Entities Corp has a principal business address of 103 Butler Street, Saugatuck, Michigan 49453 We were incorporated in the state of Michigan on April 20, 2010 We conduct business under the name Spice Merchants and do not use any other name in our business Our agent for service of process is Lisa Freeman 115 Butler Street, Saugatuck, Michigan 49453

We offer franchises for retail businesses that sell spices, spice blends, teas and related items You will use the trade name, "Spice Merchants" or "Spice & Tea Merchants " You can expect to compete with other independent and franchised businesses offering similar products and services to your potential customers including businesses that specialize in the sale of spices and teas In addition, health food stores, discount chain retailers and grocery stores also might sell spices and teas in varying types and quantities You should be aware that you may have to obtain a license from your county health department or Department of Agriculture in your state prior to opening for business We are not aware of any other industry specific factors or legal requirements that you have to know about as part of running your business such as particular licenses or governmental regulations pertinent only to the sale of spices spice blends and teas

Spice Merchants Entities Corp began franchising in May of 2010 It does not operate any outlets and does not offer franchises in any other lines of business

The franchisor has an affiliated company, Spice Merchants, LLC, a Michigan limited liability company operating at 103 Butler Street, Saugatuck, Michigan 49453 As of December 31, 2016, this affiliated company operated 4 retail outlets in the state of Michigan with the original location having been in operation for 14 years The affiliated entity also operates 1 retail location in Massachusetts This affiliated entity will sell to you the various spice, spice blends and teas you will offer in your franchised business The affiliated company has previously licensed two Spice Merchants locations, one in Colorado and one in California, that remain in operation as of the date of this disclosure document

Neither the franchisor nor its affiliated company has any predecessors

## **ITEM 2 BUSINESS EXPERIENCE**

Lisa Freeman, President, Secretary, Treasurer and Director

Lisa Freeman is the sole shareholder of the franchisor, Spice Merchants Entities Corp , a Michigan corporation, incorporated on April 20, 2010 She has served as its President, Treasurer, Secretary and sole Director since that date Its principal place of business is in Saugatuck, Michigan She has also been the sole owner and managing member of our affiliated entity, Spice Merchants LLC, since it began operations in 2003 Her employment with its affiliate is at its principal office in Saugatuck, Michigan There are no other individuals that assist Lisa Freeman in the operation of the franchisor at this time that have management responsibility that requires disclosure

## **ITEM 3 LITIGATION**

No litigation is required to be disclosed in this Item

## **ITEM 4 BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item

(03/2017)

-1-

## ITEM 5 INITIAL FEES

You must pay to us an initial franchise fee of \$25,000. You must pay a non-refundable deposit of \$1,000 to us when you submit a franchise application to us. You must pay the remaining \$24,000 when you sign the Franchise and License Agreement.

You may elect to reduce your monthly royalty percentage by paying us an additional \$2,500 for each percentage point reduction you elect to take up to a maximum of 2 percentage points. This election must occur no later than the date you sign the Franchise and License Agreement. If you make this election, your initial franchise fee will increase either \$2,500 to \$27,500 or \$5,000 to \$30,000.

Apart from the royalty reduction election, the initial franchise fee is uniform for all franchisees.

## ITEM 6 OTHER FEES

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty(1)	6% to 8% of gross sales	By 5th day of succeeding month	Payable to Franchisor
Grand Opening Advertising Expenditures (2)	\$1,000 to \$2,000	Due during initial 6 months of operation	Payable to Franchisor or Franchisor approved vendors
Monthly Advertising Expenditures (3)	2% of monthly gross sales or \$150 per month whichever is greater	As incurred	To approved vendors unless the Spice Merchants Ad Fund is established in which case the payments shall be made directly to the Fund by the 10 <sup>th</sup> day of each succeeding month
Additional Assistance (4)	\$250 per day plus reasonable meal, travel and lodging expenses	If and when performed	Paid to Franchisor
Late Charge (5)	1.5% per month or maximum legal rate whichever is the lesser amount	When billed	Paid to Franchisor
Audit	Cost of audit plus late charge	If sales audit 5% reveals understatement of gross sales	Payable to Franchisor
Transfer	\$1,000	Prior to completion of sale	Paid to Franchisor
Training if Transfer (6)	\$2,000	Prior to completion of sale	Paid to Franchisor
Renewal	\$0		
Attorney's Fees (7)			See Footnote 7
Indemnification (8)			See Footnote 8

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/spice-merchants>