

ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND

IN THE MATTER OF:

Live Crawfish & Seafood LLC

Case No. 2025-0325

Respondent.

* * * * *

CONSENT ORDER

WHEREAS, the Securities Division of the Office of the Attorney General of Maryland (the “Securities Division”) initiated an investigation into the franchise-related activities of Live Crawfish & Seafood LLC (“LCSLLC”) under the authority granted under the Maryland Franchise Registration and Disclosure Law, MD. CODE ANN. BUS. REG. §§14-201 et seq. (2024 Repl. Vol.) (the “Maryland Franchise Law”); and

WHEREAS, based on information presented by the Securities Division, the Maryland Securities Commissioner (the “Securities Commissioner”) has concluded that grounds exist to allege that LCSLLC violated the registration and disclosure provisions of the Maryland Franchise Law in relation to the offer and sale of a franchise under the Maryland Franchise Law; and

WHEREAS, before the holding of a hearing in this matter, without trial or final adjudication of any issue of fact or law, and without LCSLLC admitting or denying any violation of law, the Securities Commissioner and LCSLLC have reached an agreement to enter into this Consent Order; and

WHEREAS, LCSLLC waives its right to a hearing and any rights to seek judicial review or otherwise challenge or contest the terms and conditions of this Consent Order; and

WHEREAS, the Securities Commissioner has determined that it is in the public interest to issue this Consent Order;

NOW, THEREFORE, it is hereby agreed, and the Securities Commissioner hereby orders:

I. JURISDICTION

1. The Securities Commissioner has jurisdiction in this proceeding pursuant to Section 14-210 (a) of the Maryland Franchise Law.

II. FINDINGS OF FACT

A. Respondent

2. LCSLLC is a Maryland Limited Liability Company.

3. Between December 2017 and September 2024, LCSLLC offered and sold license agreements for the development and operation of a full-service restaurant that offers seafood using the trade name Live Crawfish & Seafood.

4. Live Crawfish LLC (“LCL”) is a Maryland Limited Liability Company.

5. LCSLLC is an affiliate of LCL.

6. LCSLLC requires its licensees to enter into a service agreement with LCL (“Service Agreement”). The Service Agreement grants LCL the right, for a fee, to provide training, consulting, on-site support, supplies, and performance monitoring to LCSLLC licensees.

B. The LCSLLC Maryland License Agreements

7. In July 2025, the Securities Division received information that LCSLLC may

have offered and sold franchises in the form of license agreements in violation of the Maryland Franchise Law.

8. On July 16, 2025, the Securities Division sent a letter to LCSLLC and requested information about offers and sales of the LCSLLC license agreements in Maryland (“July 16, 2025 letter”).

9. On August 12, 2025, LCSLLC provided the Securities Division with documents requested in the July 16, 2025 letter. Specifically, LCSLLC provided to the Securities Division copies of three (3) license agreements (the “Maryland License Agreements”).

C. Details of the Maryland License Agreements:

10. On December 10, 2017, LCSLLC entered into a Maryland License Agreement with MN, HD, KN and NL, Virginia residents, for the right to own and operate a Live Crawfish & Seafood restaurant. MN, HD, KN and NL paid LCSLLC a license fee of \$66,000 under that Maryland License Agreement. LCSLLC represented to the Securities Division that, as of the date of this Consent Order, MN, HD, KN and NL operate a Live Crawfish & Seafood restaurant located in Richmond, Virginia.

11. On January 16, 2018, LCSLLC entered into a Maryland License Agreement with TCN and TTH, Maryland residents, for the right to own and operate a Live Crawfish & Seafood restaurant. TCN and TTH paid LCSLLC a license fee of \$65,000 under that Maryland License Agreement. LCSLLC represented to the Securities Division that TCN and TTH opened a Live Crawfish & Seafood restaurant in Maryland but, as of the date of this Consent Order, that Live Crawfish & Seafood restaurant operated by TCN and TTH has closed.

12. On September 17, 2024, LCSLLC entered into a Maryland License Agreement with HHTD and HGP, both residents of Maryland, for the right to own and operate a Live

Crawfish & Seafood restaurant. HHTD and HGP agreed to pay LCSLLC a license fee of \$45,000 under that Maryland License Agreement and have paid LCSLLC the amount of \$25,888.88 towards that license fee (with outstanding balance of \$19,112.12 agreed to be paid through installments after lease approval, which has yet to occur). LCSLLC represented to the Securities Division that, as of the date of this Consent Order, HHTD and HGP have not yet opened a Live Crawfish & Seafood restaurant.

13. The Securities Commissioner has determined that the Maryland License Agreements are “franchises” under the Maryland Franchise Law.

14. LCSLLC has never registered with the Securities Division to offer and sell franchises under the Maryland Franchise Law.

15. LCSLLC did not give a copy of a franchise disclosure document (“FDD”) required under the Maryland Franchise Law prior to the offers and the sale of the Maryland License Agreements to the Current Maryland Licensees or Former Maryland Licensees.

D. Representations by LCSLLC

16. LCSLLC represents that, other than the sale of the Maryland License Agreements described in this Consent Order, LCSLLC did not offer or sell a franchise in Maryland or to any Maryland residents.

17. LCSLLC represents and agrees that, in the future, it will comply with all provisions under the Maryland Franchise Law.

III. CONCLUSIONS OF LAW

18. By engaging in the above activities, the Securities Commissioner has concluded that LCSLLC violated sections 14-214, 14-216, and 14-231 of the Maryland Franchise Law.

IV. ORDER AND CONSENT

19. THE SECURITIES COMMISSIONER HEREBY ORDERS AND LCSLLC HEREBY CONSENTS AND REPRESENTS AS FOLLOWS:

- A. LCSLLC shall immediately and permanently cease and desist from the offer and sale of franchises in violation of the Maryland Franchise Law;
- B. Within ten (10) days of its receipt of a fully executed Consent Order of the Securities Commissioner, LCSLLC shall send, by mail or electronically, in each case with applicable tracking/recipient documentation to TCN and TTH, (collectively “Former Maryland Licensees”) the following: (i) a copy of this Consent Order; and (ii) letter, in a form approved by the Securities Division, notifying the Former Maryland Licensees that LCSLLC offered and sold license agreement when LCSLLC was not registered to offer franchises under the Maryland Franchise Law, and that LCSLLC shall not sue or hold liable the Former Maryland Licensees for any obligations incurred under the License Agreement, except that LCSLLC reserves the right to seek indemnification from the Former Maryland Licensees for any third-party claims arising out of or relating to the Former Maryland Licensee’s operation of the Live Crawfish & Seafood restaurant.
- C. Within ten (10) days of its receipt of a fully executed Consent Order of the Securities Commissioner, LCSLLC shall send by mail or electronically, in each case with applicable tracking/recipient documentation to MN, HD, KN and NL, and to HHTD and HGP (collectively “Current Maryland Licensees”) the following: (i) a copy of this Consent Order; and (ii) a letter, in substantially the form attached to this letter as Exhibit 1, captioned “Notice of Rescission Rights,” notifying the Current Maryland Licensees that they are being offered an opportunity to immediately rescind their License Agreements under the terms of this Consent Order and, if they opt to rescind, receive a refund of the initial fees they paid to LCSLLC under their License Agreements, and if applicable, the amount they paid the LCSLLC for products and equipment they purchased from LCSLLC and its affiliates as of the date of acceptance of the rescission offer if they return, at LCSLLC’s expense, the products and equipment they received as part of their purchase of the License Agreement;
- D. If each Current Maryland Licensee does not opt to rescind its LCSLLC License Agreement in response to LCSLLC’s Notice of Rescission Rights, LCSLLC shall promptly file and diligently pursue an initial franchise registration application with the Securities Division. LCSLLC will also prepare and submit a one-page cover letter (“Cover Letter”) to the pending application, for approval by the Securities Division, which Cover Letter shall succinctly describe the differences between the License Agreement signed by the Maryland Licensees and the LCSLLC’s franchise offering to be registered with the Securities Division. For purposes of this Consent Order, “diligently pursue” means that an applicant

submits a substantive response to each Securities Division comment letter regarding a registration application no later than 30 days after the applicant's receipt of that comment letter;

- E. If any Maryland Current Licensee does not opt to rescind that licensee's LCSLLC License Agreement in response to the Notice of Rescission Rights, and LCSLLC fails to register its franchise offering with the Securities Division and obtain approval as required under this Consent Order within six (6) months from the date of this Consent Order ("Due Date"), LCSLLC shall be assessed an additional civil monetary penalty in the amount of One Thousand Dollars (\$1,000.00) due and payable within fifteen (15) days after the Due Date, which civil penalty amount shall continue to increase by \$250.00 ("Additional Penalty") for every additional month after the Due Date so long as LCSLLC has not obtained a registration of its franchise offering with the Securities Division. If LCSLLC is not registered as required under this Consent Order after seven months, an Additional Penalty shall be due and payable by the fifteenth (15th) day of the eighth month after the date of this Agreement, and on the 15th day of each succeeding month so long as LCSLLC is not registered as required under this Consent Order. If LCSLLC fails to make timely payments to the Office of the Attorney General as required under this Consent Order, and payments are delinquent for more than sixty (60) days, the Office of the Attorney General may refer collection of the monies due under this Consent Order to the Central Collections Unit ("CCU") of the State of Maryland. If a referral is made, any fee assessed by CCU shall be in addition to, and not offset, the balance of the civil monetary penalty owed to the Securities Division;
- F. If LCSLLC is required to register its franchise offering under Paragraph 19 (D) of this Consent Order, within ten (10) days of notification by the Securities Division that LCSLLC franchise offering is effectively registered for use in Maryland, and the Cover Letter is approved, LCSLLC shall send by mail or electronically, in each case with applicable tracking/recipient documentation to the Current Maryland Licensees who had not previously opted to rescind their LCSLLC License Agreement the following: (i) a copy of an effectively registered Maryland FDD; (ii) a copy of the Cover Letter approved by the Securities Division; and (iii) a letter, in substantially the form attached to this letter as Exhibit 2 captioned "Offer to Rescind License Agreement," notifying that Current Maryland Licensees that they are being given a second opportunity to rescind their LCSLLC License Agreement under the terms of this Consent Order;
- G. The Securities Commissioner had determined that the initial LCSLLC offer of a franchise to the Current Maryland Licensees in the form of the Notice of Rescission Rights described in this Consent Order is exempt from the registration provisions of the Maryland Franchise Law;
- H. LCSLLC shall remit to the Office of Attorney General, as a civil monetary penalty, the sum of Four Thousand Five Hundred Dollars (\$4,500); and

- I. LCSLLC acknowledges that this Consent Order is a disclosable order as described under the Maryland Franchise Law and Item 3 of the NASAA Franchise Registration and Disclosure Guidelines and Amended FTC Franchise Rule.

V. JURISDICTION RETAINED

20. Jurisdiction shall be retained by the Securities Commissioner for such further orders and directions as may be necessary or appropriate for the construction or enforcement of the Consent Order.

VI. CONSEQUENCES OF VIOLATING THIS CONSENT ORDER

21. If LCSLLC fails to comply with any term of this Consent Order, the Securities Division may bring administrative or judicial proceedings against them to enforce this Consent Order or to sanction them for violating an order of the Securities Commissioner and may take any other action authorized under the Maryland Franchise Law or any other applicable law. In any such proceeding in which, after an opportunity for a hearing, the Securities Commissioner or a court finds that LCSLLC violated this Consent Order, the Statement of Facts and the violations of the Maryland Franchise Law alleged in the Consent Order shall be deemed admitted and may be introduced into evidence against it.

VII. MODIFICATION OF CONSENT ORDER

22. The terms of this Consent Order may be modified only by a subsequent order issued by the Securities Commissioner.

DATE OF THIS ORDER;

February 13, 2026

SO ORDERED:

**Commissioner's Signature on File
w/Original Document**

MELANIE SENTER LUBIN
SECURITIES COMMISSIONER

BY CONSENT:

Live Crawfish & Seafood LLC

By: Authorized Representative

FORM
(On Company Letterhead)

BY FEDERAL EXPRESS

Re: **[Company] Notice of Rescission Rights**

Dear _____:

In accordance with discussions our attorneys have had with the Securities Division of the Office of the Attorney General of Maryland, [Insert Name of Company] ("we") have agreed under the attached Consent Order to offer rescission to a licensee who entered into License Agreement(s) with us in violation of the registration and disclosure provisions of the Maryland Franchise Law. We are making this offer in settlement of the administrative proceeding that the Securities Division may bring for the alleged sale of a franchise in violation of the Maryland Franchise Law, and this offer does not affect any civil liability for which we may be responsible.

If you elect to rescind and terminate your License Agreement, we agree to cancel your License Agreement, including all post-term and non-competition obligations you may have to us under that License Agreement. You also will give up any rights to use our trademarks and system and be obligated to refrain from using and disclosing any of our trade secrets and any of our confidential and proprietary information

In the event you rescind, we will return to you the initial fee you paid us under your License Agreement and, if applicable, give you a full refund of the cost you paid us for any equipment or products you purchased from us, if you return the equipment/products to us, at our expense. We will refund the initial fee you paid to us within 31 days after we receive your Acceptance of Offer to Rescind, and we will refund the price of the equipment/products within 31 days of receiving the equipment or products.

If you do not rescind your License Agreement now, you will be given a second opportunity to rescind your License Agreement after we have completed the franchise registration process. When that registration is complete, we will send you a copy of a Maryland registered Franchise Disclosure Document ("FDD"), and a new letter offering to rescind your franchise agreement under the same terms outlined in this letter.

This offer will remain open for thirty (30) days from the date you receive this letter. Please check the appropriate place below and return a signed copy of this letter to me within the time period. If you have any questions, please contact Tade Osikomaiya, Assistant Attorney General, at the Securities Division (410-576-7039).

Sincerely,

[The Company]

Enclosed: Consent Order

ACCEPTANCE OR REFUSAL OF OFFER TO RESCIND LICENSE AGREEMENT

1. I, the undersigned, acknowledge that I have read the preceding Notice of Rescission Rights and understand its contents.
2. I understand that I have not waived my rights under the Maryland Franchise and Disclosure Law by signing this document.
3. I hereby make the following choice to accept or refuse your offer to rescind my License Agreement:

CHECK ONE

_____ I hereby **accept** your offer of rescission and agree to not use your trademarks and system and to not use or disclose to anyone the trade secrets and confidential and proprietary information that we obtained from you. Please contact me to arrange for the return to you of the equipment from my Equipment Package.

_____ I do not accept your offer of rescission. I wish to remain a franchisee under my License Agreement at this time. I understand that I will be given a second opportunity to rescind my License Agreement once the franchisor has registered its franchise offering with the Securities Division under the Maryland Franchise Law.

Date

Licensee/Franchisee

FORM
(On Company Letterhead)

BY FEDERAL EXPRESS

Re: **[Company] Offer to Rescind License Agreement**

Dear _____:

As you recall, [Insert Name of Company] ("we") agreed to offer rescission to you of your License Agreement with us. You previously received a "Notice of Rescission Rights" from us offering to rescind your License Agreement immediately. Now that we have completed the registration of our franchise offering, we are giving you this second opportunity to rescind your License Agreement. This offer of rescission is made in settlement of the administrative proceeding that the Securities Division may bring for the sale of a franchise in violation of the Maryland Franchise Law and does not affect any civil liability for which we may be responsible.

If you elect to rescind and terminate your License Agreement, we agree to cancel your License Agreement, including all post-term and non-competition obligations you may have to us under that License Agreement. You also will give up any rights to use our trademarks and system and be obligated to refrain from using and disclosing any of our trade secrets and any of our confidential and proprietary information

In the event you rescind, we will return to you the initial fee you paid us under your License Agreement and, if applicable, give you a full refund of the cost you paid to us for any equipment package/products you purchased from us, if you return the equipment/product to us, at our expense. We will refund the initial fee you paid to us within 31 days after we receive your Acceptance of Offer to Rescind, and we will refund the price of the equipment package/products within 31 days of receiving the equipment or products.

If you consider remaining a franchisee under your current License Agreement, we are including a franchise disclosure document ("FDD") regarding that franchise offering that you should review before making that decision. You are not required to sign the new Franchise Agreement described in the FDD if you wish to remain as a franchisee under your existing License Agreement.

This offer will remain open for thirty (30) days from the date you receive this letter. Please check the appropriate place below and return a signed copy of this letter to me within the time period. If you have any questions, please contact Tade Osikomaiya, Assistant Attorney General, at the Securities Division (410-576-7039).

Sincerely,

[The Company]

Enclosed: Franchise Disclosure Document and Cover Letter

ACCEPTANCE OR REFUSAL OF OFFER TO RESCIND LICENSE AGREEMENT

1. I, the undersigned, acknowledge that I have read the preceding Offer to Rescind License Agreement and understand its contents.
2. I understand that I have not waived my rights under the Maryland Franchise Registration and Disclosure Law by signing this document.
3. I hereby make the following choice to accept or refuse your offer to rescind my License Agreement:

CHECK ONE

_____ I hereby **accept** your offer of rescission and agree to not use your trademarks, patents, and system and to not use or disclose to anyone the trade secrets and confidential and proprietary information that we obtained from you. Please contact me to arrange for the return to you of the equipment/product.

_____ I do **not accept** your offer of rescission. I wish to remain a franchisee under my License Agreement.

Date: _____

Licensee/Franchisee