

ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND

IN THE MATTER OF:

Bahama Buck's Franchise Corporation,

Case No. 2026-0191

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 Bahama Buck's Franchise Corporation, d.b.a. Bahama Buck's (“BBFC”) 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 BBFC 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 BBFC admitting or denying any violation of law, the Securities Commissioner and BBFC have reached an agreement to enter into this Consent Order; and

WHEREAS, BBFC 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. BBFC is an Arizona corporation with a principal business address of 5741 50th Street, Lubbock, TX 79424.

3. BBFC offers and sells franchises for the operation of restaurants that prepare and sell gourmet shaved ice products and frozen desserts.

4. On August 30, 2022, BBFC filed with the Securities Division an initial application to register its franchise offering under the Maryland Franchise Law.

5. On September 28, 2022, the Securities Division reviewed BBFC's initial application and issued comments that the franchisor needed to address before the Securities Division would register BBFC's franchise offering ("September 28, 2022 Comment Letter").

6. BBFC never responded to the September 28, 2022 Comment Letter.

7. On March 27, 2023, the application filed by BBFC on August 30, 2022 was deemed abandoned by the Securities Division.

8. On October 29, 2024, BBFC filed with the Securities Division a second initial application to register its franchise offering under the Maryland Franchise Law.

9. On November 20, 2024, the Securities Division reviewed BBFC's second initial application and issued comments that the franchisor needed to address before the Securities Division would register BBFC's franchise offering ("November 20, 2024 Comment Letter"). In the November 20, 2024 Comment Letter, the Securities Division noted that BBFC was never registered to offer or sell franchises in the State of Maryland, yet Item 20, Table 5 of the Franchise Disclosure Document ("FDD") indicated that BBFC had offered and sold franchises in or to residents of Maryland. Accordingly, the Securities Division requested additional information about the transaction.

10. BBFC never responded to the November 20, 2024 Comment Letter.

11. On May 20, 2025, the application filed by BBFC on October 29, 2024 was deemed abandoned by the Securities Division.

12. On March 24, 2026, BBFC filed a third initial application with the Securities Division for registration of its franchise offering under the Maryland Franchise Law ("March 24, 2026 Application"). Among the documents submitted with the March 24, 2026 Application was a cover letter dated March 24, 2026 ("March 24, 2026 Letter").

13. In the March 24, 2026 Letter, counsel for BBFC acknowledged that BBFC had offered and sold a franchise in Maryland at a time when it was not registered to do so.

14. The documents submitted with the March 24, 2026 Application included an executed Franchise Agreement and the FDD that BBFC provided to prospective Maryland franchisees related to a Maryland franchise sale.

B. The BBFC Maryland Franchise Agreement

15. On December 9, 2023, BBFC entered into a Franchise Agreement with Just Sugar and Water LLC, a Maryland limited liability company (“JSWL”), for the right to own and operate a Bahama Buck’s restaurant in Waldorf, Maryland.

16. JSWL paid BBFC initial franchise fees of \$34,500.

17. BBFC represented to the Securities Division that JSWL’s Bahama Buck’s restaurant is in development and is anticipated to open in 2026.

18. The Securities Division has determined that the Franchise Agreement that BBFC entered into with JSWL is a “franchise” under the Maryland Franchise Law.

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

20. Although BBFC gave JSWL a copy of an FDD before JSWL entered into a franchise agreement with BBFC, the FDD was not registered under the Maryland Franchise Law.

C. Representations by BBFC

21. BBFC represents that, other than the sale of the JSWL franchise agreement described in this Consent Order, BBFC did not offer or sell a franchise in Maryland or to any Maryland residents.

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

III. CONCLUSIONS OF LAW

23. By engaging in the above activities, the Securities Commissioner has concluded that BBFC violated sections 14-214, 14-215, 14-216, and 14-223 of the Maryland Franchise Law.

IV. ORDER AND CONSENT

24. THE SECURITIES COMMISSIONER HEREBY ORDERS AND BBFC HEREBY CONSENTS AND REPRESENTS AS FOLLOWS:

- A. BBFC shall immediately and permanently cease and desist from the offer and sale of franchises in violation of the Maryland Franchise Law;
- B. BBFC shall remit to the Office of Attorney General, as a civil monetary penalty, the sum of Five Thousand Dollars (\$5,000.00);
- C. Within ten (10) days of its receipt of a fully executed Consent Order of the Securities Commissioner, BBFC shall send by mail or electronically, in each case with applicable tracking/recipient documentation to JSWL, 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 JSWL that it is being offered an opportunity to immediately rescind its franchise agreement under the terms of this Consent Order and, if JSWL opts to rescind, receive a refund of the initial franchise fee it paid BBFC, and if applicable, the amount it paid BBFC for products and equipment it purchased from BBFC and its affiliates as of the date of acceptance of the rescission offer if they return, at BBFC's expense, the products and equipment JSWL received as part of its purchase of the Franchise Agreement;
- D. If JSWL does not opt to rescind its franchise agreement in response to BBFC's Notice of Rescission Rights, BBFC shall diligently pursue its application to register the BBFC franchise offering under the Maryland Franchise Law. 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 JSWL does not opt to rescind its franchise agreement in response to the Notice of Rescission Rights, and BBFC fails to register its franchise offering with the Securities Division as required under this Consent Order within six (6) months from the date of this Consent Order ("Due Date"), BBFC 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 BBFC has not obtained a registration of its franchise offering with the Securities Division. If BBFC is not registered as required under this Consent Order after six (6) months, an Additional Penalty shall be due and payable by the fifteenth (15th) day of the seventh month after the date of this Agreement, and on the 15th day of each succeeding month so long as BBFC is not registered as required under this Consent Order. If BBFC 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 BBFC is required to register its franchise offering under Paragraph (C) above, within ten (10) days of notification by the Securities Division that the BBFC franchise offering is effectively registered for use in Maryland, BBFC shall send by mail or electronically, in each case with applicable tracking/recipient documentation to JSWL, the following: (i) a copy of an effectively registered Maryland FDD; and (ii) a letter, in substantially the form attached to this letter as Exhibit 2 captioned “Offer to Rescind Franchise Agreement,” notifying JSWL that it is being given a second opportunity to rescind its BBFC Franchise Agreement(s) under the terms of this Consent Order;
- G. The Securities Commissioner had determined that BBFC’s offer of a franchise to the Maryland Franchisees 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; and
- H. BBFC 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

25. 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

26. If BBFC fails to comply with any term of this Consent Order, the Securities Division may bring administrative or judicial proceedings against BBFC to enforce this Consent Order or to sanction BBFC 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 BBFC 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

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

DATE OF THIS ORDER;

SO ORDERED:

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

April 30, 2026

MELANIE SENTER LUBIN
SECURITIES COMMISSIONER

BY CONSENT:

Bahama Buck's Franchise Corporation

By:
Its:

FORM
(On Company Letterhead)

VIA [INSERT DELIVERY METHOD]
TO [INSERT FULL ADDRESSEE INFORMATION]

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 any Maryland residents who entered into Franchise 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 franchise agreement, we agree to cancel your Franchise Agreement, including all post-term and non-competition obligations you may have to us under that Franchise 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 fees you paid us under your Franchise 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 fees 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 Franchise Agreement now, you will be given a second opportunity to rescind your Franchise 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 FRANCHISE 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 Franchise 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. If applicable, 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 Franchise Agreement at this time. I understand that I will be given a second opportunity to rescind my Franchise Agreement once the franchisor has registered its franchise offering with the Securities Division under the Maryland Franchise Law.

Date

Franchisee

FORM
(On Company Letterhead)

VIA [INSERT DELIVERY METHOD]
TO [INSERT FULL ADDRESSEE INFORMATION]

Re: [Company] Offer to Rescind Franchise Agreement

Dear _____:

As you recall, [Insert Name of Company] ("we") agreed to offer rescission to you of your Franchise Agreement with us. You previously received a "Notice of Rescission Rights" from us offering to rescind your Franchise Agreement immediately. Now that we have completed the registration of our franchise offering, we are giving you this second opportunity to rescind your Franchise 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 Franchise Agreement, we agree to cancel your Franchise Agreement, including all post-term and non-competition obligations you may have to us under that Franchise 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 fees you paid us under your Franchise 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 Franchise Agreement, we are including the franchise disclosure document ("FDD") for our current franchise offering; you should review it before making that decision.

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

ACCEPTANCE OR REFUSAL OF OFFER TO RESCIND FRANCHISE AGREEMENT

1. I, the undersigned, acknowledge that I have read the preceding Offer to Rescind Franchise 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 Franchise 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. If applicable, 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 Franchise Agreement.

Date: _____

Franchisee