

MODEL FRANCHISE INVESTMENT ACT

As Adopted by the North American Securities Administrators Association, Inc.

August 30, 1990

Sec. 1. Short Title

This Act shall be known and may be cited as the "[name of jurisdiction] Franchise Investment Act."

Sec. 2. Findings and Purpose

The Legislature finds that franchisees may suffer substantial losses when the franchisor does not provide complete information regarding the franchisor and the franchise relationship. The legislature also finds that many franchisees lack bargaining power and purchase a franchise when they are unfamiliar with operating a business, with the franchised business and with industry practices in franchising. This Act seeks to assure that each offeree receives the information necessary to make an informed decision about the offered franchise, to prohibit the sale of franchises when there is a likelihood that the franchisor's promises will not be fulfilled.

Sec. 3. Definitions

When used in this Act, unless the context otherwise requires:

- (a) "ACT" means the [name of jurisdiction] Franchise Investment Law.
- (b) "[ADMINISTRATOR]" [substitute any other appropriate terms such as "Commission," "Commissioner," "Secretary"] means the [official administering the Act].
- (c) "ADVERTISEMENT" means a communication published in connection with an offer or sale of a franchise.
- (d) "AFFILIATE" means a person controlling, controlled by, or under common control with another person, every officer or director of such person, and every person occupying a similar status or performing similar functions.

- (e) "BUSINESS DAY" means a day other than a Saturday, Sunday, or federal holiday.
- (f) "DISCLOSURE DOCUMENT" means the Uniform Franchise Offering Circular as adopted and amended by the North American Securities Administrators Association, Inc.
- (g) "FRANCHISE" means
 - (i) an oral or written agreement, either express or implied, which:
 - (A) grants the right to distribute goods or provide services under a marketing plan prescribed or suggested in substantial part by the franchisor;
 - (B) requires payment of a franchise fee to a franchisor or its affiliate; and
 - (C) allows the franchise business to be substantially associated with a trademark, service mark, trade name, logotype, advertising, or other commercial symbol of or designating the franchisor or its affiliate; or
 - (ii) a master franchise.
- (h) Reserved.
- (i) "FRANCHISE FEE" means a direct or indirect payment to purchase or operate a franchise. Franchise fee does not include:
 - (i) payment of a reasonable service charge to the issuer of a credit card by an establishment accepting the credit card;
 - (ii) payment to a trading stamp company by a person issuing trading stamps in connection with a retail sale; or
 - (iii) agreement to purchase at a bona fide wholesale price a reasonable quantity of tangible goods for resale.
- (j) "FRANCHISEE" means a person to whom a franchise is granted. Franchisee includes:

- (i) a subfranchisor with regard to its relationship with a franchisor; and
 - (ii) a subfranchisee with regard to its relationship with a subfranchisor.
- (k) "FRANCHISOR" means a person who grants a franchise. Franchisor includes a subfranchisor with regard to its relationship with a franchisee, unless stated otherwise in this Act.
- (l) "FRAUD" and "DECEIT" are not limited to common law fraud and deceit.
- (m) "MARKETING PLAN" means a plan or system concerning an aspect of conducting business. Indicia of a marketing plan include:
 - (i) price specification, special pricing systems or discount plans;
 - (ii) sales or display equipment or merchandising devices;
 - (iii) sales techniques;
 - (iv) promotional or advertising materials or cooperative advertising;
 - (v) training regarding the promotion, operation or management of the business; or
 - (vi) operational, managerial, technical or financial guidelines or assistance.
- (n) "MASTER FRANCHISE" means an agreement express or implied, oral or written, by which a person pays a franchisor for the right to sell or negotiate the sale of franchises.
- (o) "OFFER" or "OFFER TO SELL" means every attempt to offer or to dispose of, or solicitation of an offer to buy, a franchise or interest in a franchise for value.
- (p) "ORDER" means a consent, authorization, approval, or prohibition, issued by the administrator in a specific matter.
- (q) "PERSON" means an individual or any other legal or commercial entity.
- (r) "PUBLISH" means to circulate generally by mail, or print media or electronic media, or otherwise to disseminate generally to the public.

- (s) "REGISTRATION APPLICATION" means an initial franchise application on the Uniform Franchise Registration Application as adopted and amended by the North American Securities Administrators Association, Inc. and the amendment or renewal of the application.
- (t) "SALE" or "SELL" means every contract or agreement of sale of, contract to sell or a disposition of, a franchise or interest in a franchise for value.
- (u) "SALESPERSON" means a person employed by or representing a franchisor in effecting or attempting to effect the offer or sale of a franchise.
- (v) "SUBFRANCHISE" means an agreement by which a person pays a franchisor for the right to sell or negotiate the sale of franchises.
- (w) "SUBFRANCHISOR" means a person who is granted a master franchise.
- (x) "SUBFRANCHISEE" means a person who is granted a franchise or a sub-franchise from the subfranchisor.
- (y) "THIS STATE" means [name of jurisdiction].

Sec. 4. Scope and Applicability

- (a) This Act applies to a franchise that is offered or sold in this state.
- (b) A franchise is offered or sold in this state if an offer to sell is made or accepted in this state or an offer to buy is accepted in this state.
- (c) An offer to sell is made in this state if the offer is directed by the offeror into this state from within or from outside this state and is received where it is directed. An offer to sell is accepted in this state if the offeree communicates acceptance to the offeror in this state and acceptance is received where it is directed.
- (d) This Act also applies to a franchise offered or sold outside this state if it is offered or sold to a resident of this state and is to be operated in this state.
- (e) An offer to sell is not made in this state solely because the offer appears in a newspaper or other publication of general and regular circulation which had more than two thirds of its circulation outside this state during the past 12

months or solely because the offer appears in a broadcast or transmission originating outside this state.

Sec. 5. Registration of Franchises

It is unlawful for any person to offer or sell a franchise unless the offer is registered under this Act or is exempt from registration under Section 6 of this Act.

Sec. 6. Exemptions From Registration

The following transactions are exempt from Section 5:

- (a) The offer or sale of a franchise if all of the following conditions are satisfied:
 - (i) either the franchisor's most recent audited financial statements show a net worth of at least \$10 million or the franchisor is at least 80% owned by a person that unconditionally guarantees the franchisor's performance, that consents to service of process in this state and whose most recent audited financial statements show a net worth of at least \$10 million.
 - (ii) the franchisor or person owning at least 80% of the franchisor had and currently has at least 25 franchisees that have conducted substantially the same franchised business to be offered or sold at no fewer than 25 locations for the entire five-year period immediately preceding the offer or sale of the franchise;
 - (iii) the offeree receives the disclosure document at least 10 business days prior to the execution by the offeree of any binding agreement or at least 10 business days prior to the direct or indirect receipt of a franchise fee by the franchisor from the offeree, whichever first occurs; and
 - (iv) the franchisor annually files a notice of exemption with the administrator. The notice of exemption shall include the disclosure document and the fee prescribed by Section 29 and shall be filed prior to an offer or sale of a franchise in this state. The exemption expires 15 months from the date of the most recent audited financial statement filed unless the administrator prescribes a different period by rule or order.

- (b) The offer or sale of a franchise by a franchisee who is not an affiliate of the franchisor for the franchisee's own account if the franchisee's entire franchise is sold and the sale is not effected by or through the franchisor. A sale is not effected by or through a franchisor merely because a franchisee signs agreements with terms which do not materially differ from the agreements with the existing franchisee or because a franchisor has a right to approve or disapprove the sale or requires payment of a reasonable transfer fee. This exemption applies to the offer or sale of a master franchise if the entire master franchise is sold.
- (c) The offer or sale of a franchise to a person who has been for at least 2 years, an officer, director, partner or affiliate of the franchisor for that person's own account;
- (d) The offer or sale of a franchise to a purchaser for that person's own account who:
 - (i) has a net worth of at least one million dollars (in the case of a natural person, including the property of the purchaser's spouse but excluding primary residence, personal vehicles and personal effects) or had an individual income, or joint income including that person's spouse in excess of \$200,000 in each of the two most recent years and has a reasonable expectation of reaching the same income level in the current year; and
 - (ii) has such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of the franchise.
- (e) The offer or sale to an existing franchisee of an additional franchise that is substantially the same as the franchise that the franchisee has operated for at least two years at the time of the offer or sale.
- (f) The offer or sale of a franchise involving a renewal, extension, modification or amendment of an existing franchise agreement if there is no interruption in the operation of the franchised business and there is no material change in the franchise relationship. For purposes of this subsection, an interruption in the operation of the franchised business solely for the purpose of renovating or relocating that business is not a material change in the

franchise relationship or an interruption in the operation of the franchise business.

- (g) The offer or sale of a franchise if the franchisee agrees to pay, directly or indirectly, a franchise fee computed on an annual basis of \$250 or less.
- (h) The offer or sale of a franchise by an executor, administrator, sheriff, marshal, receiver, trustee, trustee in bankruptcy, guardian or conservator on behalf of a person other than the franchisor or the estate of the franchisor.
- (i) The offer of a franchise by the franchisor during the period a registration has expired and is pending renewal under Section 9, if the offeree receives the newly registered disclosure document at least ten business days before the offeree's execution of any binding agreement or at least 10 business days prior to the receipt of a franchise fee by the franchisor from the offeree, whichever first occurs. Changes from the documents last registered must be marked to show changes.
- (j) The offer or sale of rights to a person to sell goods or services within or adjacent to a retail establishment as a department or division; provided that the person is not required to purchase goods or services from the operator of the retail establishment.
- (k) The offer and sale of a franchise that the administrator by rule or order exempts when registration is not necessary or appropriate in the public interest or for the protection of prospective franchisees.

Sec. 7. Out-of-State Sales Exemption

An offer or sale of a franchise is exempted from Sections 5, 8, 9, 13 through 16, inclusive if:

- (a) it is offered or sold to a non-resident of this state;
- (b) the franchise business will not be operated wholly or partly in this state;
- (c) the offer or sale does not violate federal law or the law of the foreign jurisdiction; and
- (d) the offeree is not actually present in this state during any offer or sale.

Sec. 8. Delivery Requirements

- (a) It is unlawful to sell any franchise in this state without first providing a copy of a disclosure document reflecting all material changes together with a copy of all proposed agreements relating to the sale of the franchise, unless otherwise provided in subsection (b), to the prospective franchisee, at the earlier of:
 - (i) the prospective franchisees first personal business meeting with the franchisor which is held for the purpose of discussing the sale or possible sale of a franchise, or
 - (ii) ten business days prior to the execution of an agreement or payment of any consideration relating to the franchise relationship,
- (b) The delivery requirements in subsection (a) of this section do not apply to the offer or sale of a franchise which is exempt under Section 6(b), 6(c), 6(f), or 6(h) of this Act.

Sec. 9. General Registration Provisions

- (a) A registration application must include the disclosure document, the filing fee, and the consent to service of process. The administrator may require the filing of audited financial statements examined and reported upon by an independent certified public accountant and prepared in accordance with generally accepted accounting principles and of additional documents or disclosures.
- (b) If the franchisor fails to demonstrate to the administrator the franchisor's financial ability to fulfill its initial obligations to franchisees, the administrator may require an escrow of funds paid by the franchisee or subfranchisor to the franchisor or its affiliate until the franchisor performs its initial obligations and the franchisee has commenced operations. The administrator may allow alternatives to escrow.
- (c)
 - (i) except as provided in paragraph (ii), if no order under Sections 18 or 19 is in effect, a franchise registration application is effective on the thirtieth business day after filing of the application or the last

amendment to the application or at an earlier time ordered by the administrator unless the applicant requests postponement of effectiveness of the application or the administrator has made a good faith effort to communicate why the application does not meet the requirements of this law.

- (ii) If the administrator requires the submission of additional information under Section 9, 11, 12, 13, or 26 before the franchise registration application becomes effective under paragraph (i), and if no order under Section 18 or 19 is in effect, the application becomes effective on the fifteenth business day after the additional information is filed with the administrator, or at such earlier time as the administrator determines, unless the applicant requests postponement of effectiveness of the application.
- (d) Registration of a franchise under this Act expires 120 calendar days after the end of the franchisor's fiscal year following the application date, unless the administrator prescribes a different period by rule or order. A franchise registration may be renewed for periods of one year or a shorter period if designated by the administrator by filing an application to renew 30 days prior to the expiration of the registration.
- (e) An applicant or registrant may withdraw a franchise registration application, or franchise registration if it files a written request for withdrawal with the administrator. Withdrawal is effective 15 business days from the day on which the withdrawal request is filed with the administrator.
- (f) The administrator shall have the authority to accept the examination of a registration application by another state administrator as complying with this Act.

Sec. 10. Negotiated Changes Permitted

This Act does not preclude negotiation of the terms and conditions of a franchise before it is sold. After the initial offer, a franchisor need not amend its disclosure document to negotiate with an offeree, or make supplementary disclosure to that offeree, by reason of a change negotiated in the terms and conditions of a franchise.

Sec. 11. Change in Information

The franchisor must promptly amend its franchise registration application to reflect every material change in the information filed with the administrator.

Sec. 12. Advertising

No person may publish in this state any advertisement offering to sell a franchise required to be registered under this Act unless the advertisement and required filing fee have been filed with the administrator at least five business days prior to its first publication.

Sec. 13. Books and Records

Every franchisor offering or selling a franchise in this state must maintain a complete and accurate set of books and records of the offers and sales of franchises. The books and records must include disclosure documents, advertising correspondence with franchisees and prospective franchisees, past and present operations manuals, training records, training manuals, copies of executed agreements, and any due diligence records concerning franchisees. These books and records must be maintained at an office readily accessible to the franchisor for 5 years. The books and records may be kept on photographic or electronic media but must be printed if the administrator requests. Nothing in this section limits the investigative authority of the administrator.

Sec. 14. Jurisdiction and Venue

A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state is void with respect to a claim otherwise enforceable under this Act.

Sec. 15. Waivers Void

A condition, stipulation or provision requiring a franchisee to waive compliance with or relieving a person of a duty or liability imposed by or a right provided by this Act or a rule or order under this Act is void. An acknowledgement provision, disclaimer or integration clause or a provision having a similar effect in a franchise agreement does not negate or act to remove from judicial review any statement, misrepresentation or action that would violate this Act or a rule or order under this Act. This section shall not affect the settlement of disputes, claims or civil lawsuits arising or brought under this Act.

Sec. 16. Franchisee's Right to Associate

A franchisor shall not restrict a franchisee from associating with other franchisees or from participating in a trade association, or retaliate against a franchisee for engaging in these activities.

Sec. 17. Fraudulent Deceptive and Prohibited Practices

In connection with the offer or sale of franchise it is unlawful for a person, directly or indirectly, to:

- (a) employ a device, scheme, or artifice to defraud;
- (b) make an untrue statement of material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading;
- (c) engage in an act, practice, or course of business which operates or would operate as a fraud or deceit on a person;
- (d) represent to an offeree of a franchise that the filing of a franchise registration application or the registration of a franchise constitutes a finding by the administrator that a document filed under the Act is true, complete, and not misleading or that the administrator has passed upon the merits of the franchise;
- (e) misrepresent that a franchise is registered or exempted from registration under this Act;
- (f) violate an order of the administrator after the person receives notice that the order was issued; or
- (g) fail to notify the administrator of a material change in the information required in a document required to be filed by this Act or a rule or order under this Act; or
- (h) omit to state a material fact or make or cause to be made an untrue statement of a material fact in any application, notice, or report filed with the administrator under this Act.

Sec. 18. Enforcement

- (a) The administrator may by order deny a franchise registration application or suspend or revoke the effectiveness of registration of a franchise if:
- (i) the franchisor failed to comply with a provision of this Act or a rule, order or condition of the administrator under this Act;
 - (ii) the registration application is incomplete or inaccurate in any material respect;
 - (iii) the registration application includes a false or misleading statement of a material fact or omits to state a material fact required to be stated or necessary to make a required statement not misleading;
 - (iv) the sale of the franchise would constitute a misrepresentation, deceit or fraud upon an offeree;
 - (v) a person is engaging in, has engaged in or is about to engage in a false, fraudulent or deceptive practice or a device, scheme, or artifice to defraud in connection with the offer or sale of the franchise;
 - (vi) a partner, officer or director of the franchisor or a person who occupies a similar status or performs similar functions, or a person who directly or indirectly controls or is controlled by the franchisor is or has been found guilty or liable in a proceeding required to be described in the registration application and the involvement of such person creates an unreasonable risk to franchisees or offerees;
 - (vii) an advertisement prohibited by this Act has been used in connection with the offer or sale of a franchise;
 - (viii) the franchisor's enterprise or method of business includes activities that are illegal where performed; or
 - (ix) the financial condition of the franchisor impairs or would impair the ability of the franchisor to fulfill obligations under the franchise agreement.
- (b) The administrator may by order deny, suspend or revoke an exemption under Section 6 of this Act on any of the grounds described in paragraph (a) of this Section.

- (c) When it appears to the administrator that any person has violated or is about to violate a provision of this Act or a rule or order under this Act, the administrator may do any or all of the following:
- (i) issue an order directing the person to cease and desist from continuing the act or practice;
 - (ii) bring an action in a court of competent jurisdiction to enjoin the act or practice and to enforce compliance with this Act or a rule or order under this Act. Upon a proper showing, the court may grant a permanent or preliminary injunction, restraining order or writ of mandate. The court may grant appropriate ancillary relief, including appointment of a receiver or conservator for the defendant or the defendant's assets. The court may exercise all powers necessary or appropriate for these purposes. The court may not require the administrator to post a bond; or
 - (iii) bring an action on behalf of the state in any court of competent jurisdiction against any officer, director, trustee, manager or agent of the franchisor or against a franchisor to recover a penalty in a sum not to exceed [\$50,000] per violation of this Act. The action must be brought within (4) years after the commission of the act or practice on which it is based.
- (d) The administrator may impose an administrative assessment against a person named in an order issued under Section 18(a), 18(c) or 19. The amount of the administrative assessment may not exceed [\$5,000] for each act or omission that constitutes the basis for issuing the order. The administrative assessment may only be imposed:
- (i) following an opportunity for a hearing under Section 25 if the notice delivered to all named persons includes notice of the administrator's authority to impose an administrative assessment under this section, or
 - (ii) as part of an order issued under Sections 18(a), 18(b) or 19, if the order is stipulated to by each person subject to the administrative assessment.

- (e) When an administrator prevails in an action under this Act, the administrator is entitled to recover the costs, expenses and experts fees incurred incident to the action.
- (f) In connection with an action or proceeding under this section, the administrator may exercise any of the powers specified in Section 26 of this Act.

Sec. 19. Summary Action

The administrator upon a finding that it is in the public interest may issue an order summarily under Section 18.

Sec. 20. Criminal Prosecution

- (a) A person who wilfully violates any provision of this Act, or any rule under this Act or any order of which the person has notice, commits a [Class-] felony and upon conviction is subject to the punishment provided by law.
- (b) A prosecution for a violation under this Act must be commenced within 4 years after the commission of the violation. Nothing in this Act limits the power of the state to punish a person for conduct which constitutes a crime under another statute.

Sec. 21. Private Civil Actions

- (a) A person who violates any provision of this Act is liable to the franchisee for damages, costs, and attorneys and experts fees. In the case of a violation of Sections 5, 8, or 17 of this Act, (a) through (e) inclusive, of this Act, the franchisee may also sue for rescission. No person will be liable under this section if the defendant proves that the plaintiff knew the facts concerning the violation.
- (b) Every person who directly or indirectly controls a person liable under this section, every principal executive officer or director of a person so liable, every person occupying a similar status or performing similar functions, and every agent, employee of a person so liable, who materially aids in the act or transaction constituting the violation, is also liable jointly and severally with and to the same extent as such person, unless the person liable proves he or she did not know, and in the exercise of reasonable care could not have

known, of the existence of the facts by reason of which the liability is alleged to exist.

Sec. 22. Period of Limitation

An action under Section 21 of this Act must be commenced not later than the earliest of:

- (a) 4 years after the act or transaction constituting the violation or
- (b) ninety days after the receipt by the franchisee of a rescission offer in a form approved by the administrator.

Sec. 23. No Other Civil Liability

Except as expressly provided in this Act, no civil liability arises from a violation of any provision of this Act. Nothing in the Act limits liability that may exist under another statute or at common law. Prior law governs all actions based on facts occurring before the effective date of this Act.

Sec. 24. Burden of Proof

In an administrative, civil, or criminal proceeding arising under this Act, the burden of proving an exemption, or an exclusion from a definition, is on the person claiming it.

Sec. 25. Hearings and Judicial Review

- (a) Except as provided by subparagraph (c), the administrator may not enter an order under Section 18 or 19 without appropriate prior notice to all named persons, opportunity for hearing and written findings of fact and conclusions of law.
- (b) Notice required by this Act is sufficient if delivered personally, or if sent by registered or certified mail and addressed to the person, or the person's attorney of record at the person's or attorney's last known address appearing in the records of the administrator. Notice serviced in accordance with Section 28 is also sufficient.
- (c) A person named in an order may apply to the administrator for a hearing in respect to any matter determined by the order within 30 days after the

administrator has summarily issued an order. A hearing shall be held within 30 days after the administrator receives a written request for hearing unless extended by mutual consent of the parties. During the pendency of any hearing requested under this subsection, the order issued summarily shall remain in effect unless vacated or modified by the administrator.

- (d) After a hearing, the administrator may issue a final order. The final order may affirm, vacate or modify an order issued summarily in effect during the pendency of the hearing, or may include such other sanctions as are provided for under Section 18. An order issued summarily against a person becomes a final order if the person fails to request a hearing under subsection (c) or if the person defaults after requesting a hearing.
- (e) Hearings and rehearings shall be public.
- (f) Orders and other official acts of the administrator are subject to judicial review [insert judicial review statute section of jurisdiction].
- (g) Orders originally entered without a hearing under Sections 18 or 19 may be reviewed only if the person seeking review has requested a hearing within the time provided by subparagraph (b). Petition for review under this subparagraph may be filed only after service of the order finally disposing of the person's request for hearing under subparagraph (b).

Sec. 26. Powers of Administrator

- (a) The administrator may make public or private investigations inside or outside this state to determine whether a person has violated, is violating, or is about to violate a provision of this Act or a rule or order under this Act. The administrator may investigate to aid in the enforcement of this Act or in prescribing rules under this Act. The administrator may publish information concerning the violation of this Act or a rule or order under this Act.
- (b) The administrator may keep confidential any information obtained in the course of an investigation.
- (c) The administrator may investigate suspected criminal violations of this Act and may refer evidence to the Attorney General or a prosecuting attorney. Upon request of the Attorney General or prosecuting attorney, the

administrator and the administrator's attorneys, deputies or assistants may assist in presenting the law or facts at trial.

- (d) For the purpose of an investigation or proceeding under this Act, the administrator may subpoena witnesses, compel their attendance, examine them under oath, or require the production of any documents, or tangible things, which the administrator deems relevant or material to this investigation or proceeding. The subpoena must state the date, place and time at which the person is required to appear or produce documentary material.
- (e) An administrator's subpoena shall be served in accordance with the service of process requirements of civil litigation.
- (f) Upon application of the administrator, a court may compel compliance with a subpoena through a contempt proceeding.

Sec. 27. Rules, Orders, Forms and Interpretive Opinions

- (a) The administrator may promulgate rules, forms, and orders necessary or appropriate to administer this Act and may define terms, whether or not used in this Act. The administrator may classify franchises, persons and matters within the administrator's jurisdiction and prescribe different rules for different classes. The Act imposes no liability for an act or omission done in good faith in conformity with an order or rule of the administrator.
- (b) No rule, order or form may be made unless the administrator finds that the action is necessary or appropriate in the public interest or for the protection of franchisees and consistent with the purposes fairly intended by the policy and provisions of the Act.
- (c) The administrator may honor requests from interested persons for interpretive opinions or may issue determinations that the administrator will not institute enforcement proceedings against a person for engaging in certain specified activities where the determination is consistent with purposes fairly intended by the policy and provisions of the Act.

Sec. 28. Service of Process

- (a) A person who offers or sells a franchise subject to the registration requirement of this Act in this state shall file with the administrator an irrevocable consent to service of process appointing the administrator as the person's agent to receive service of process in a civil action or proceeding arising under this Act.
- (b) A person who offers or sells a franchise in this state without filing a consent to service of process is deemed to appoint the administrator as the person's agent to receive service of process in a civil action or proceeding arising under this Act.
- (c) A person may effect service of process under this section by service on the administrator. The time to respond begins to run when the person sends notice of the service and a copy of the process by certified mail to the defendant or respondent or attorney of record at its last address on file with the administrator. If no address is on file with the administrator, the time to respond begins to run when the process is served on the administrator. The plaintiff shall file an affidavit of compliance with the court or tribunal hearing the matter.

Sec. 29. Fees

- (a) The administrator shall charge and collect the fees fixed by this section. The administrator shall not refund fees.
- (b) The fee for filing an application for initial registration of a franchise under Section 9 is \$500.
- (c) The fee for filing a notice of exemption under Section 6(a) is \$300.
- (d) The fee for filing an application for renewal of a registration under Section 9 is \$250.
- (e) The fee for filing a request for an amendment to an application under Section 11 is \$100.
- (f) The fee for filing a request for an interpretive opinion under Section 27(c) is \$300.
- (g) The fee for filing advertising is \$10 per item.

Sec. 30. Cooperation With Other Agencies or Organizations

To encourage uniform application and interpretation of this Act and effective franchise regulation and enforcement, the administrator may cooperate with federal, state or foreign agencies or administrators and law enforcement agencies, including:

- (a) Conducting joint examinations and investigations;
- (b) Holding joint administrative hearings;
- (c) Filing and prosecuting joint civil or administrative proceedings;
- (d) Sharing and exchanging information and documents subject to the restrictions of this state;
- (e) Sharing and exchanging personnel;
- (f) Formulating rules, regulations, statements of policy, guidelines, proposed statutory changes and interpretive opinions and releases; and
- (g) Issuing and enforcing subpoenas at the request of the Federal Trade Commission or an agency administering franchise statutes in another jurisdiction if the information sought would also be subject to lawful subpoena for conduct occurring in this state.

Sec. 31. Filing of Documents

A document is filed when it is received by the administrator.

Sec. 32. Construction

This Act shall be applied and construed with a view to uniformity among states enacting it. This Act shall be liberally construed to effectuate its purposes.

Sec. 33. Severability of Provisions

If a provision of this Act or its application to a person or circumstance is held invalid, the invalidity shall not effect other provisions or applications of this Act which can be given effect without the invalid provision or application. To this end the provisions of this Act are severable.