

FRANCHISERS

SUPPLEMENTAL APPLICATION

Applicant:

1. a. How long has the Applicant been franchising?
- b. How many units does the Applicant independently own?
 If any, is there a difference between their prices and prices at independently owned units? YES NO
- c. What is the total number of franchised units?
- d. How many franchise units have been closed?

2. Does any subsidiary of the applicant provide services to the franchises? YES NO

If YES, please provide details:

3. a. Does the Applicant have a franchise directors compliance program? YES NO

If YES, please provide details:

- b. Does the Applicant have a franchise disclosure regulation or general compliance office? YES NO

If YES, what is their name?

- Does this person have additional responsibilities? YES NO

If YES, describe other responsibilities:

- c. Provide the background and the employment history of the person identified above.

4. Briefly describe the process for selecting and qualifying prospective franchisers:

5. Does the Applicant debrief prospective franchisers prior to execution of the franchise agreement? YES NO

6. For each franchise sold, does the Applicant maintain records of the following information?

	Yes	No	N/A
a. Date of first contact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Method of contact	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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	Yes	No	N/A
c. Date and place of first personal meeting			
d. Identity of persons who met with franchisers and subjects discussed			
e. Date in which franchise learned about franchiser			
f. Franchise Applications			
g. Investigative reports for test regarding prospective franchises			
h. Rates, related correspondence, memoranda and notes of conference			
i. Identify and investigate professional advisor(s) to franchise			
j. Copies of franchise offering and contracts delivered and dates of delivery			
k. Description of any negotiations of the terms of a Franchise contract			
l. Copies of all executed agreements and riders, addenda and exhibits			
m. Properly completed, signed receipts to all offering circulars, contracts and other disclosure materials delivered to franchisers			
n. Date(s) any agreements were executed by each party			
o. Consideration and date paid			
p. Date and prices (s) franchise was commenced and completed			
q. Evidence that franchisers successfully completed training			
r. Applicants assistance in connection with the opening of the franchisers business			

7. a. Does the Applicant sell franchisers utilizing salespersons who are not employed by the applicant? YES NO

If YES, identify the sales personnel:

b. Has the applicant conducted a background check on its sales personnel? YES NO

If YES, briefly explain the procedure:

8. Describe any established procedure, precautions or safeguards the Applicant has in place with respect to resolving disputes with franchises:

9. Provide the names of the law firm(s) (if any) which has assisted, or currently assists the Applicant with franchise contracts and/or franchise registration/disclosure statements and/or franchise disputes:

10. Provide the name and address of the Applicant's current accounting firm:

11. Does the applicant give territorial exclusivity to individual units? YES NO

12. Does the applicant mandate purchase of supplies from themselves? YES NO



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It is understood and agreed that this supplemental application shall become a part of the application for Professional Liability Errors and Omissions Insurance.

Name of applicant:

Signature of person authorized to execute on behalf of the applicant:

Date:

A copy of this application should be retained for your records.