

FRANCHISE RESCISSION OFFER SAMPLE

Franchisor Letterhead

Certified Mail

Return Receipt Requested

Name of Person Who Signed Franchise Agreement

Title of Person Who Signed Franchise Agreement

Full Name of Franchisee Entity

Address

RE: RESCISSION OFFER

Dear [*Franchisee Name*]:

On [*Date Franchise Agreement Signed*] you purchased a franchise from [*Name*] and paid consideration of \$ _____ [*Total Dollar Amount of Consideration Paid To Franchisor*] to [*Name*] for the franchise.

Pursuant to an agreement with the New York State Department of Law (“Department of Law”), _____ [*Name*] hereby offers you the opportunity to rescind your franchise agreement in accordance with the provisions of New York’s General Business Law Section 691(2). (A copy of Section 691(2) is attached hereto.) We are making this offer of rescission because at the time your franchise agreement was signed, our franchise registration had lapsed, and we did not timely register our annual franchise disclosure document amendment with the Department of Law as required by General Business Law Section 683, and Title 13 of New York State’s Official Compilation of Codes, Rules and Regulations Section 200.8.

If you reject this offer of rescission, you will continue to operate under the Franchise Agreement you signed.

If you accept this offer of rescission, the franchise agreement will be terminated immediately; your right to operate as a franchisee and to use our trademarks and system thereunder will immediately cease; you will be obligated to refrain from using and disclosing our trade secrets and any of our confidential and proprietary information; and, you will receive a refund of the consideration paid together with interest at six percent per year from the date of payment, less the amount of income earned by the franchise, conditioned only upon tender of all items received by you for the consideration and not sold.

You have 30 days from the date you receive this letter to accept this offer. Check the box below that corresponds to your decision, sign and date the form, and return the form to us in the enclosed envelope. You may wish to confer with your attorney. If you do not respond

within 30 days following receipt of this letter, you will be deemed to have rejected this offer of rescission.

This offer extinguishes any right you may have to bring an action against [*Franchisor*] for possible violations of the New York State Franchise Sales Act, whether or not you accept the offer. Although this offer of rescission has been submitted to and approved by the Department, General Business Law Section 691(2) does not prohibit settlement of any dispute arising under or involving the New York State Franchise Sales Act, without the approval of the Department of Law.

If you have any questions about this rescission offer, you may contact [*Contact Name of Franchisor*] at [*Phone Number*].

[*Salutation*]

NOTE: YOU HAVE A LIMITED TIME TO RESPOND, AFTER WHICH YOU LOSE YOUR RIGHT TO PARTICIPATE IN THIS RESCISSION OFFER.

Please check and initial the box below that shows your decision and sign below.

Your offer or rescission is REJECTED. I elect to continue operating under the Franchise Agreement I signed.

Your offer of rescission is ACCEPTED.

Signed this day of , 2006
