



OFFICE OF THE ATTORNEY GENERAL
LETITIA JAMES

FRANCHISE REGISTRATION INFORMATION SHEET

Disclosure documents using the UFOC format may not be distributed to prospective franchisees after July 1, 2008. As of July 1, 2008, franchisors must use the amended FTC Franchise Rule disclosure document format, 16 CFR 436, as amended, 72 FR 15444 (March 30, 2007). Pursuant to the amended FTC Franchise Rule, states may require more extensive disclosures or requirements. 16 CFR § 436.10(b).

Franchise filings and corresponding fee payments must be submitted through the NASAA Franchise Electronic Filing Depository (“FRED”) at <https://www.nasaaefd.org/> unless there is hardship in doing so. If using FRED poses a hardship, please follow the instructions below.

How To Apply for a Hardship Exemption:

If you wish to apply for a hardship exemption from submitting franchise filings via FRED, submit a letter indicating why it is necessary and an explanation of any unreasonable burden and expense. This office will then determine whether your request will be granted based on an analysis of filer burden or expense and whether an exemption is appropriate and consistent with the public interest. Even if granted, we may place a limit on the term of a continuing hardship exemption.

The hardship application must be submitted by the franchisor only and may not be submitted by third parties such as attorneys or franchise consultant firms. The request must be submitted in writing; signed by the duly authorized officer of the franchisor; and made no later than ten (10) business days before the franchise filing is due or, where there is no required filing date, the date the franchisor intends on submitting a franchise filing.

I. INITIAL FRANCHISE REGISTRATION:

The Department of Law (the “Department”) shall, not later than 30 days after the submission for filing of an initial franchise registration application, issue a letter stating that the application has been accepted for filing, or in the alternative, indicate the respect in which the application for registration is deficient or otherwise fails to make adequate disclosure. N.Y. Comp. Codes R. & Regs. tit. 13 § 200.3 (i) (1) (1980). If the franchisor resubmits its application, the Department shall, not later than 30 days following the re-submission, issue a letter accepting the filing or issue a deficiency letter. N.Y. Comp. Codes R. & Regs. tit. 13 § 200.3 (i) (1) (1980).

A. Items to Submit

1. Filing Fee: When filing through the FRED system, filing fees will be paid through the FRED system. If hardship is granted and submitting a franchise filing by email at IPBFranchise@ag.ny.gov,



the \$750 filing fee may be paid in one of the two following ways: i) mailing in a check drawn on a United States Bank and made payable to “The New York State Department of Law”; or ii) paying electronically by using IPB E-Pay. Link to IPB ePayment User Guide: https://ag.ny.gov/sites/default/files/ipb_epayment_user_guide.pdf If paying by IPB E-Pay, submit a copy of the receipt of payment with the franchise filing.

2. Uniform Franchise Registration Application with Certification form
3. Franchisor’s Costs and Source of Funds form
4. Consent to Service of Process form
5. Sales Agent Disclosure form
6. Guarantee of Performance form--This form should be completed only when the financial statements included are pursuant to Item 21 (B) of New York’s Franchise Regulations, i.e., when the franchisor includes financial statements of its affiliated company, and the affiliated company absolutely and unconditionally guarantees to assume the duties and obligations of the franchisor under the franchise agreement.
7. Franchise Disclosure Document:
 - A. Submit the Franchise Disclosure Document via the NASAA Franchise Electronic Filing Depository (“FRED”) at <https://www.nasaaefd.org/>

If the hardship application is approved, Franchise Disclosure Documents may be submitted by email at IPBFranchise@ag.ny.gov
 - B. A start-up franchisor must provide an audited opening balance sheet dated within 90 days of filing.
 - C. If a franchisor offers both unit franchises and area representative franchises, the franchisor is to submit separate Franchise Disclosure documents for each. For more information, please see the “2014 NASAA Multi-Unit Commentary,” which is found on this webpage.

II. RENEWALS/AMENDMENTS:

Franchise registration renewals are to be submitted annually within 120 days of the close of the franchisor’s fiscal year-end. N.Y. Comp. Codes R. & Regs. tit. 13 § 200.8 (1980). If a renewal is not received during the 120-day period, the franchise registration will expire. If it

expires, no franchise offers, or sales may be made within or from the State of New York until a franchise renewal application has been submitted to the Department of Law and accepted for filing. If a renewal is timely filed within the 120-day period, a franchisor may continue to offer or sell interests in franchises or advertise during the time that the Department is acting upon its application unless otherwise advised by the Department. N.Y. Comp. Codes R. & Regs. tit. 13 § 200.3 (i) (2) (1980).

An amendment reflecting a “material change” (N.Y. Comp. Codes R. & Regs. tit. 13 § 200.5(b) (1980)) to the franchise offering circular is required to be submitted “promptly.” N.Y. Gen. Bus. Law § 683.9. The Department shall, not later than 15 days after the submission of an amendment or renewal of an offering prospectus, issue a letter stating that the amendment or renewal has been accepted for filing, or in the alternative indicate the respect in which the amendment or renewal application is deficient or otherwise fails to make adequate disclosure. N.Y. Comp. Codes R. & Regs. tit. 13 § 200.3 (i)(1) (1980). In the event that the franchisor resubmits its application following the issuance of a deficiency letter, the Department shall, not later than 30 days following the re-submission, issue a letter accepting the prospectus for filing or issuing a deficiency letter. N.Y. Comp. Codes R. & Regs. tit. 13 § 200.3 (i)(1) (1980). 13 NYCRR 203.3 (i).

A. Items to Submit

1. Filing Fee: When filing through the FRED system, filing fees will be paid through the FRED system.

If using FRED poses a hardship, the \$150 filing fee may be paid in one of the two following ways: i) by mailing in a check drawn on a United States Bank and made payable to “The New York State Department of Law”; or ii) by paying electronically by using IPB E-Pay. Link to IPB ePayment User Guide:

https://ag.ny.gov/sites/default/files/ipb_epayment_user_guide.pdf If paying by IPB E-Pay, submit a copy of the receipt of payment with the franchise filing.

2. Uniform Franchise Registration Application With Certification
3. Franchisor’s Costs and Source of Funds
4. One clean and complete copy of the proposed franchise disclosure document, and a copy of the redlined pages.
5. For annual renewals only (not amendment filings), submit the information required under 13 NYCRR 200.8, which is as follows: (a) The name and address of each franchise sold, the date of the sale, and the name, address, and telephone number of the person purchasing the franchise; (b) The price paid and credit terms upon the sale of each franchise listed in subdivision (a) of this section; and (c) A copy of the annual audited financial statements of the franchisor as prepared by an independent public accountant.

III. ADVERTISEMENTS:

Submit two copies of any advertising to be used in the offer or sale of franchises. 13 NYCRR 200.9. Sales literature shall be submitted to the Department not less than seven days prior to its intended use. Advertisements are to be submitted via the NASAA Franchise Electronic Filing Depository (“FRED”) at <https://www.efdnasaa.org>

IV. FRANCHISE BROKER REGISTRATION:

Franchise Brokers must submit a completed Franchise Broker Registration Form to the following address:

New York State Department of Law
Investor Protection Bureau
28 Liberty Street,
New York, NY 10005