

(I) SUBFRANCHISOR.

"SUBFRANCHISOR" MEANS A PERSON TO WHOM AN AREA FRANCHISE IS GRANTED.

REVISOR'S NOTE: This subsection is new language derived without substantive change from former Art. 56, § 345(i).

As to the deletion of the reference to a "distributorship", see the General Revisor's Note to this subtitle.

Defined terms: "Area franchise" § 14-201
"Person" § 1-101

REVISOR'S NOTE TO SECTION:

Former Art. 56, § 345(l), which defined "sale" or "sell" to mean an agreement to sell or dispose of a franchise or interest in a franchise for value, is deleted as unnecessary insofar as the definitions do not differ from the common meanings of the terms and as misleading insofar as the definitions are limited to franchises.

Former Art. 56, § 345(n), which defined "publish" to mean to disseminate to or place before the public, is deleted as unnecessary since the definition does not differ from the common meaning of the term.

14-202. LEGISLATIVE POLICY.

(A) FINDINGS.

THE GENERAL ASSEMBLY FINDS THAT:

(1) THE WIDESPREAD SALE OF FRANCHISES HAS CREATED MANY INVESTMENT AND BUSINESS PROBLEMS; AND

(2) FRANCHISEES HAVE SUFFERED SUBSTANTIAL LOSSES WHEN THE FRANCHISOR OR ITS REPRESENTATIVE HAS NOT GIVEN COMPLETE INFORMATION ABOUT:

(I) THE FRANCHISOR-FRANCHISEE RELATIONSHIP;

(II) THE FRANCHISE AGREEMENT; AND

(III) THE BUSINESS EXPERIENCE OF THE FRANCHISOR OR ITS REPRESENTATIVE.

(B) INTENT OF SUBTITLE.

THE INTENT OF THIS SUBTITLE IS TO:

(1) GIVE EACH PROSPECTIVE FRANCHISEE NECESSARY INFORMATION ABOUT ANY FRANCHISE OFFER;