

**FRANCHISERS
SUPPLEMENTAL APPLICATION**

Applicant Name: _____

- 1. a. How long has the Applicant been franchising? _____
- b. How many units does the Applicant own? _____
- c. What is the total number of franchised units? _____

2. Does any subsidiary of the applicant provide services to the franchises? YES NO
 If YES, provide details. _____

3. a. Does the Applicant have a franchise director's compliance program? YES NO
 If YES, 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? _____

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

- | | |
|--|-----------------------------------|
| a. Date of first contact. | YES () NO () Not Applicable () |
| b. Method of contact. | YES () NO () Not Applicable () |
| c. Date and place of first personal meeting. | YES () NO () Not Applicable () |
| d. Identity of persons who met with franchiser and subjects discussed. | YES () NO () Not Applicable () |
| e. Date in which franchise learned about franchiser. | YES () NO () Not Applicable () |
| f. Franchise applications. | YES () NO () Not Applicable () |
| g. Investigative reports or tests regarding prospective franchises. | YES () NO () Not Applicable () |
| h. Rates, related correspondence, memoranda and notes of conference. | YES () NO () Not Applicable () |
| i. Identify and investigate professional advisor(s) to franchise. | YES () NO () Not Applicable () |
| j. Copies of franchise offering and contracts delivered and dates of delivery. | YES () NO () Not Applicable () |
| k. Description of any negotiations of the terms of a Franchise contract. | YES () NO () Not Applicable () |
| l. Copies of all executed agreements and riders, addenda and exhibits. | YES () NO () Not Applicable () |
| m. Properly completed, signed receipts to all offering circulars, contracts and other disclosure materials delivered to franchisers. | YES () NO () Not Applicable () |
| n. Date(s) any agreements were executed by each party. | YES () NO () Not Applicable () |
| o. Consideration and date paid. | YES () NO () Not Applicable () |
| p. Date and price(s) franchise was commenced and completed. | YES () NO () Not Applicable () |
| q. Evidence that franchisers successfully completed training. | YES () NO () Not Applicable () |
| r. Applicant's assistance in connection with the opening of the franchisers business. | YES () NO () Not Applicable () |

7. a. Does the Applicant sell franchises 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 name 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. _____

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

Date

Name of Applicant

Signature of person authorized
to execute on behalf of the Applicant