

Spring 2014 Franchise Business Network Meeting

April 9, 2014

11:30 a.m. – 1:00 p.m. CDT

12:30 p.m. – 2:00 p.m. EDT

Agenda

Welcome and Introductions

Joel Buckberg, Shareholder

Baker Donelson

Franchise Crowdfunding: An Emerging Alternative to Traditional Financing

Denise Thomas, Chairman and Chief Executive Officer

ApplePie Capital

Organized Labor's Efforts to Remake Franchising

Ed Young, Shareholder

Baker Donelson

Five Things Franchises Should Do in Social Media Every Day

Paul Slack, Founder

VendeSocial

#

Applepie Capital

Applepie Capital is changing the way the everyday entrepreneurs access capital to start or expand their small business.

New small businesses face daunting financing challenges with only 2% of businesses seeking early stage financing succeeding with traditional sources of capital. Yet in towns across America small businesses employ 40% of the US labor force and Franchises alone account for over 4% of the GDP and represent \$42B in new and transferred units annually.

Applepie Capital will provide a technology platform that enables the everyday entrepreneur to access capital in their own backyard and improves the financing process for investors who fund these businesses.

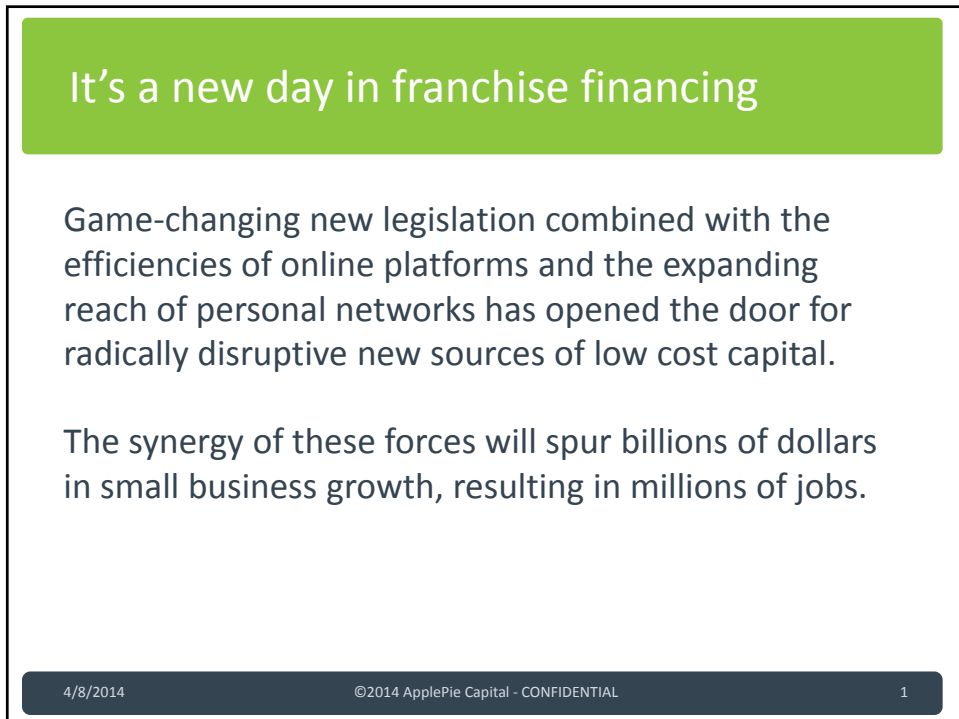
The service will focus on financing those businesses requiring \$50K-\$1M (debt, equity or a combination) through “peer-to-peer online campaigns”.

How it works:

1. An Entrepreneur posts business plan on our platform (we provide template and help with packaging for the investors).
2. The Entrepreneurs network (family and Facebook friends) is loaded into the system.
3. The Entrepreneurs network is sent a link through an email to access the online campaign.
4. The network subscribes by indicating how much they will fund (as debt or equity).
5. Applepie Capital holds the funds in escrow until certain specified requirements are met (e.g. franchise approval of entrepreneur, all funds required have been committed and a lease has been approved, etc.).
6. Applepie Capital standardizes agreements, handles settlement and provides back-end servicing of the debt so the entrepreneurs can focus on running and growing their business.

Throughout the campaign the investor and entrepreneur are provided a step-by-step process and all parties are informed of gates and milestones and Applepie Capital assists in follow-up activities during and after the funding campaign. In addition, Applepie Capital provides post funding debt-servicing.

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The JOBS Act: A democratization of investing



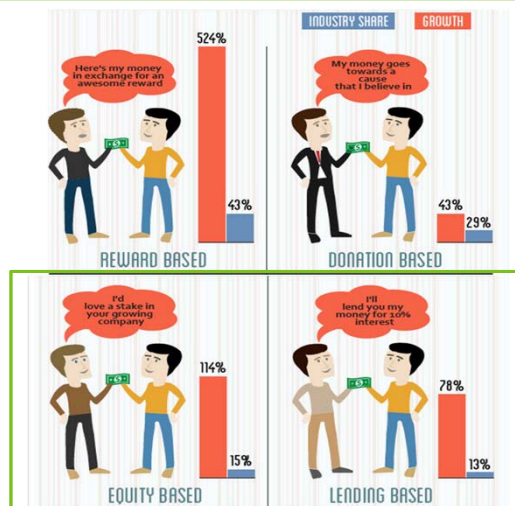
Accredited only today

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Crowdfunding platforms: Efficient access to capital through technology



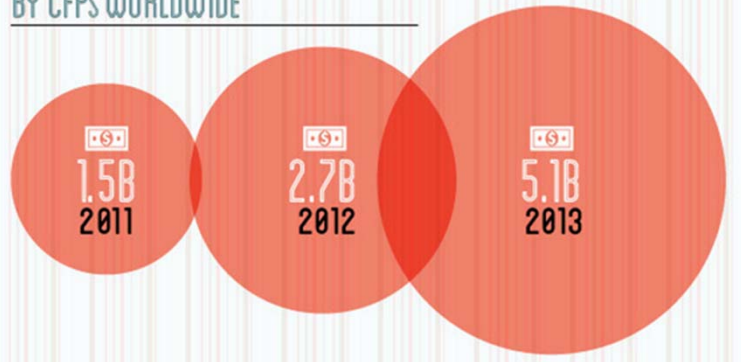
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Rapid growth, with more to come

ESTIMATED VOLUME OF FUNDS RAISED BY CFPs WORLDWIDE



Equity based crowdfunding raised the most \$ per project

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ApplePie Capital: Franchise crowdfunding made simple



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Franchisors: Help franchisees access a new source of capital

1 Qualify for our platform

We add franchisor partners based on their success rates and franchisee review and support standards.

1

3 Refer franchisee prospects

Prospective franchisees with good standing in their community and a strong network have the highest chance of success.

3



2 Create a standardized deal template

All franchisor-related materials are pre-approved so franchisees can easily create campaigns.

2

4 Promote and monitor progress

Spread word through your own networks and existing franchises, and track progress online.

4

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Franchisors set deal parameters

- Debt or equity (linked to revenue)
- Interest rate
- Term
- Grace period
- Pre-approved contracts and legal

Business Funding

Capital raised will be used to secure location, build out location, purchase equipment and supplies, pay franchising fees, and fund 90 days of working capital.

TOTAL CAPITAL REQUIRED	\$350,000
FRANCHISEE CAPITAL COMMITTED	- \$150,000
INVESTMENT GOAL	\$200,000

Investor Economics

(Please see Payments tab of Financial Projections for further detail.)

Interest Rate	10%, compounded monthly (10.47% APR)
Loan Term	7 years
Grace Period	No payments are due the first six months of loan life (though regular interest will accrue).
Principal Amortization	Straight line amortization after Grace Period.
Repayment Frequency	Monthly

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Entrepreneurs: Start your business with capital from your personal network



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Raise capital for multiple business needs

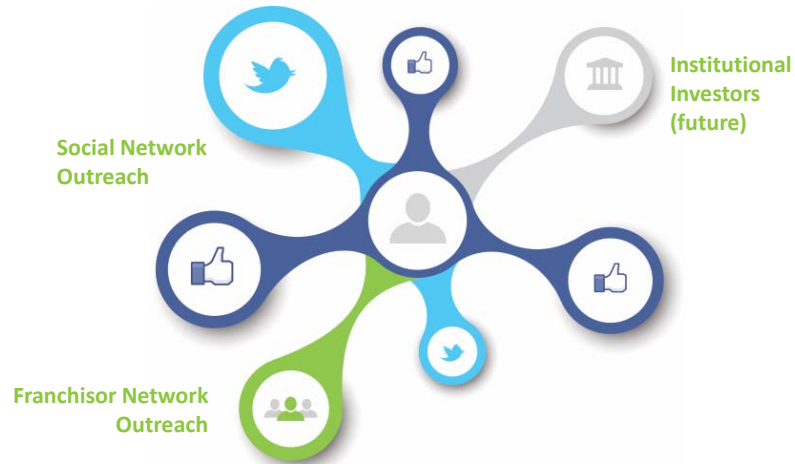
- First time franchisee
- Expansion or growth of existing unit
- Additional units
- Remodel
- Resale/Transfer

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Drive investor interest across both personal and franchisor networks



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Investors: Earn competitive returns while supporting your community

1 Review the opportunity

Conduct online diligence on the franchisor and business plan.



3 Enjoy automated repayment

We distribute payments on behalf of the entrepreneur right to your bank account.



2 Make a commitment

Moneys are held until the funding goal is reached, the franchise is granted, and all contingencies are satisfied.



4 Diversify your portfolio

Invest across multiple franchise brands and reduce risk.



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Who is best qualified to participate?

Franchisors

- Known brands, ideally with high customer engagement and frequent customer visits
- Proven track record of franchisee support and high success rates
- Significant portion of potential franchisees require capital

Entrepreneurs

- Are investing themselves, but need additional capital
- Don't qualify for SBA loans, or find the terms too arduous
- Broad personal networks and active on social media and in their local community

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A new day in franchise financing



- Crowdfunding platform
- Franchise focus
- State-of-the-art technology
- Standardized, streamlined process
- Templated deal terms
- Regulatory compliant

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Thank You!
For a demo contact:

Denise Thomas, CEO
denise@applepiecapital.com
800.720.0241

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Edward R. Young

Shareholder
Memphis
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eyoung@bakerdonelson.com

Edward R. Young is a shareholder in the Memphis office of Baker Donelson, where he is engaged in a unique nationwide practice limited exclusively to the representation of management in all phases of labor relations and employment law. He began his practice with Newell Fowler, who was known as one of the first labor relations attorneys in the nation. For more than thirty years he has assisted clients in labor and employment litigation in state and federal courts in issues dealing with the EEOC and NLRB. He has litigated in federal courts opposite the EEOC, tried cases before the NLRB, as well as handled union elections before that agency. He has also defended matters before the U.S. Department of Labor. He has assisted clients in conducting self audits, and audits of subcontractors to assure compliance with the Fair Labor Standards Act, The Davis-Bacon Act and The Service Contract Act.

Mr. Young was previously appointed by both the City of Memphis Mayor and the Shelby County Mayor to serve as a special attorney for those bodies handling labor relations matters dealing with the Fire Department, Police and Sheriff's Department and the Hospital Authority.

The cornerstone of his philosophy and practice is the belief that in labor relations matters, it is not sufficient merely to advise clients as to what they cannot do. What is essential is the ability to furnish clients with an affirmative "game plan," and then to provide the methodical and detailed planning that will ensure its success. He believes that excellence can be achieved only through a combination of skill, innovation, and consistency.

Publications & Speaking Engagements

- Featured – "[Edward Young of Baker Donelson on Enjoying Work Despite Industry Changes](#)," *MBQ: Inside Memphis Business* (May 9, 2013)
- Author – "[NLRB Hooks Alaska Hotel Anti-Union Efforts](#)," *Hospitalitas* newsletter (November 2012)
- Panelist – "Birds of a Feather Stick Together: A Real Life Story of a Tough Union Organization Campaign and Lessons Learned," Southern Automotive Conference, Chattanooga, Tennessee (October 2012)
- Author – "[NLRB Decision Potentially Impacts Hospitality and Other Service Businesses](#)," *Hospitalitas* newsletter (September 2011)

- Panelist - "Using the Federal Courts to Challenge and Remedy Workplace Discrimination," at the "Celebrating the 45th Anniversary of Title VII: Ensuring the Promise of Equal Employment" conference (November 2010)
- Speaker - "How the New National Labor Relations Board Will Impact Your Business," Employment Law Briefing, Memphis, Tennessee (September 2010)
- Co-author - "Update: Social Networking in the Employment Context," *Tennessee Dental Association Newsletter* (February 2010)
- Speaker - "What to Expect From the NLRB," Southern Automotive Conference, Murfreesboro, Tennessee (October 2009)
- Speaker - "Maintaining a Union Free Environment: What a Leader Must Know," Baker Donelson Labor and Employment Law Seminar - Strategies and Solutions for Today's Employer, Knoxville, Tennessee (April 2009)
- Speaker - "Important Changes to Family and Medical Leave Under the Family Medical Leave Act," Employment Law Briefing, Memphis, Tennessee (February 2009)
- Speaker - "Pending Labor and Employment Legislation," Franchise Business Network (January 2009)
- Speaker - "Employers Beware: The Employee Free Choice Act," Baker Donelson Client Briefing, New Orleans, Louisiana (December 2008)
- Speaker - "Employers Beware: The Employee Free Choice Act," Martinet Society, New Orleans, Louisiana (December 2008)
- Speaker - "The Employee Free Choice Act, Recent Changes to the FMLA and the ADA," Jackson, Tennessee Area Chamber of Commerce (November 2008)
- Speaker - "Employers Beware: The Employee Free Choice Act, Recent Changes to the FMLA, and Proposals to Amend the ADA," Dyersburg/Dyer County, Tennessee Chamber of Commerce (October 2008)
- Speaker - "Responding to a Union Organizing Campaign: What a Union Can Do to You," Baker Donelson Labor Employment Law Seminar - Strategies and Solutions for Today's Employer, Knoxville, Tennessee (April 2008)
- Speaker - "Targeting Health Care Workers: Responding to a Union Organizing Campaign" (Nashville, Tennessee October 2007; Jackson, Mississippi April 2008; Memphis, Tennessee August 2008)
- Speaker - "I Am Here from the Government and I Am Here to Help You: Responding to Wage and Hour Investigations, NLRB and EEOC Charges," joint meeting of the Tennessee Society of CPA's and The Institute of Management Accountants (November 2007)
- Speaker - "Purchasing a Unionized Business," Tennessee Society of CPA's (September 2007)
- Contributor - *The Developing Labor Law* (Schlei and Grossman)
- Contributor - *Employment Discrimination Law*

- Spoken on numerous occasions on labor relations and employment before Bar Associations and employers in the law enforcement, long-term health care, hotel and lodging, hospital, and printing and publishing industries
- Guest speaker – New Orleans Bar Association Labor Law Section "Class Actions Under the Fair Labor Standards Act" (2006)
- Chaired statewide seminars in three cities for the Tennessee Health Care Association dealing with a variety of employment issues from FMLA to Title VII (2007)
- Quoted in *Modern Health Care*, *Employment Law 360*, *Human Resource Executive Online*, and *Greater Baton Rouge Business Report* on the proposed Employee Free Choice Act (2007)
- Co-author of "Responding to a Union-Organizing Campaign" in *Franchising World*, the magazine of the International Franchise Association (2007)
- Co-author of "New labor legislation related to union organizing faces stiff opposition" in *Memphis Business Journal*, April 30, 2007

Professional Honors & Activities

- Listed since 2008 in *Chambers USA: America's Leading Business Lawyers* as a leading labor & employment lawyer in Tennessee
- Listed since 2006 in *Best Lawyers in America*[®] in Labor & Employment
- AV[®] Preeminent[™] Peer Review Rated by Martindale-Hubbell
- Listed as among top 50 attorneys in Memphis and among top 100 attorneys in Tennessee by *Mid-South Super Lawyers* since 2006
- Member – Memphis, Tennessee and American (Member, Labor and Employment Law Section, Committees on Equal Employment Opportunity Law) Bar Associations
- Special Labor Relations Counsel, Shelby County (1971 – 1981)
- Adjunct Professor of Labor Legislation – University of Memphis
- President – Memphis Jewish Federation (1987 – 1989)
- President – Economic Club of Memphis (2004)
- For the United Jewish Communities:
 - Southeast Regional Chair
 - Served on National Executive Committee
 - Member – Board of Trustees
 - Chair – Pension Review Committee
- Former Board Member – Memphis Jewish Community Center
- Board Member – United Way of Greater Memphis (1979 – 1989)

Admissions

- Tennessee: all state courts including Tennessee Supreme Court

- United States District Court, Western District of Tennessee
- United States District Court, Northern District of Mississippi
- United States District Court, Eastern District of Michigan
- United States District Court, Western District of Michigan
- United States Court of Appeals, Fifth Circuit
- United States Court of Appeals, Sixth Circuit
- United States Court of Appeals, Eighth Circuit
- United States Court of Appeals, Eleventh Circuit
- United States Court of Appeals, District of Columbia Circuit
- United States Supreme Court

Education

- Vanderbilt University School of Law, J.D., 1966
- Memphis State University, B.S., 1963

PRESENTATION

Spring 2014 Franchise Business Network Meeting

Presented By:
Ed Young, Esq.
Baker Donelson
eyoung@bakerdonelson.com

BAKER DONELSON

EXPAND YOUR EXPECTATIONS[®]

IFA and Fast Food Workers Committee



Franchising[®]
Building local businesses,
one opportunity at a time.

October 29, 2013

VIA UPS and Electronic Mail
Barry.Kearney@nlrb.gov

Mr. Barry J. Kearney
Associate General Counsel of the
Division of Advice
National Labor Relations Board
1099 14th Street N.W.
Washington, D.C. 20570-0001

Re: **Fast Food Workers Committee (McDonalds USA, LLC)**
Case Nos. 2-CA-093893, 2-CA-093895, 2-CA-093927, 2-CA-094224, 2-CA-094679, 2-CA-097827, 2-CA-097305, 2-CA-98604, 2-CA-098009, 2-CA-098662, 2-CA-098659, 2-CA-098676, 2-CA-103384, 2-CA-103390, 2-CA-103430, 2-CA-103726, 2-CA-103771, 2-CA-105591, 2-CA-106094

Dear Mr. Kearney:

It has been brought to our attention by International Franchise Association member McDonald's USA, LLC ("McDonald's") that a matter is pending before you addressing whether McDonald's is a joint employer with its franchisees. I am writing to you on behalf of the International Franchise Association (the "IFA"), to express the IFA's concern about the allegation by the Fast Food Worker's Committee that McDonald's is liable as a joint employer in the above-referenced unfair labor practice charges (the "Charges").

Coverage of Franchise Operations

INTERNET FORM NLR-401 (2-06)		UNITED STATES OF AMERICA NATIONAL LABOR RELATIONS BOARD CHARGE AGAINST EMPLOYER		FORM EXEMPT UNDER 44 U.S.C. 3512 DO NOT WRITE IN THIS SPACE	
INSTRUCTIONS: File an original with NLRB Regional Director for the region in which the alleged unfair labor practice occurred or is occurring.		Case 02-CA-098676	Date Filed 02/15/2013		
1 EMPLOYER AGAINST WHOM CHARGE IS BROUGHT					
a. Name of Employer Linda Dunham d/b/a 18884 Food Corp. (or Dunham Management Corp.) & McDonald's USA LLC as Joint or Single Employer		b. Tel. No. 212-586-5530		c. Cell No.	
d. Address (Street, city, state, and ZIP code) McDonald's 1651 Broadway New York, NY 10019 & McDonald's USA, LLC One McDonald's Plaza Oak Brook, IL 60523		e. Employer Representative Linda C. Dunham & Gloria Santona		f. Fax No.	
i. Type of Establishment (factory, mine, wholesaler, etc.) Restaurant		j. Identify principal product or service Food Service		g. e-Mail	
k. The above-named employer has engaged in and is engaging in unfair labor practices within the meaning of section 8(a), subsections (1) and (2) of the National Labor Relations Act, and these unfair labor practices are practices affecting commerce within the meaning of the Act and the National Labor Relations Act.		h. Number of workers employed Approx 50			
2. Basis of the Charge (set forth a clear and concise statement of the facts constituting the alleged unfair labor practices)					
See attached description					
3. Full name of party filing charge (if labor organization, give full name, including local name and number)					
Fast Food Workers Committee					

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FEB 15 2013
REGIONAL OFFICE
NEW YORK, N.Y.
NLRB

McDonalds located at 1651 Broadway and McDonalds USA LLC

- **Basis of charge:** On a date within the last 6 months, the above-named employer has unlawfully **interfered with, restrained and coerced employees** in the exercise of their rights under the Act:
 - By engaging in the following conduct in response to employee protected activity:
 - In or about late October and early November 2012 (by **Arlene Raymond**) threatening to terminate employees who spoke with union representatives;
 - On or about November 28, 2012 (by **Carlos L/N/U**) engaging in unlawful interrogation and unlawfully creating the impression of surveillance;



McDonalds located at 1651 Broadway and McDonalds USA LLC (continued)

- In or about late November or early December 2012 imposing a new rule prohibiting employees from being present in the lobby while in uniform before the start or end of their shifts;
- On or about December 10, 2012, imposing a new rule limiting when and where employees may take breaks, including prohibiting employees from taking breaks in the store lobby while wearing a McDonald's uniform;
- On or about January 7, 2013, imposing a new rule that employees may not be in the store lobby during their breaks whether wearing a uniform or not, and/or forcing employees to take their breaks in the basement

McDonalds located at 1651 Broadway and McDonalds USA LLC (continued)

- On a date within the last 6 months the above-named employer has unlawfully interfered with, restrained and coerced employees in the exercise of their rights under the Act by:
 - In or about January and February 2013, promulgating new rules to interfere with employee exercise of Section 7 rights;
 - On or about February 18, 2013, unlawfully soliciting grievances from employees

Coverage of Franchise Operations (continued)

INTERNET FORM NLRB-501 (2-08)		UNITED STATES OF AMERICA NATIONAL LABOR RELATIONS BOARD CHARGE AGAINST EMPLOYER		FORM EXEMPT UNDER 44 U.S.C. 3012 DO NOT WRITE IN THIS SPACE	
		Case	Date Filed		
		13-Ca-124362	3/13/2014		
INSTRUCTIONS: File an original with NLRB Regional Director for the region in which the alleged unfair labor practice occurred or is occurring.					
1. EMPLOYER AGAINST WHOM CHARGE IS BROUGHT.					
a. Name of Employer		b. Tel. No.		c. Cell No.	
(1) McDonald's/624 West Roosevelt Road and (2) McDonald's Corporation, joint employers		(1) 773-921-0056 (2) 800-244-6227			
d. Address (Street, city, state, and ZIP code)		e. Employer Representative		f. Fax No.	
(1) 5624 West Roosevelt Road, Chicago, IL 60644 (2) 2111 McDonald's Drive, Oak Brook, IL 60523		(1) Mr. Phil Fuentes		(1) 630-499-1234 g. e-Mail	
Type of Establishment (factory, mine, wholesaler, etc.)		j. Identify principal product or service		h. Number of workers employed	
Restaurant(s)		Fast food		(1) Approx. 60, (2) 100,000+	
k. The above-named employer has engaged in and is engaging in unfair labor practices within the meaning of section 8(a), subsections (1) and (1st subsections) (3) _____ of the National Labor Relations Act, and these unfair labor practices are practices affecting commerce within the meaning of the Act, or these unfair labor practices are unfair practices affecting commerce within the meaning of the Act and the Postal Reorganization Act.					
2. Basis of the Charge (set forth a clear and concise statement of the facts constituting the alleged unfair labor practices) Since on or about March 10, 2014, the above-named joint employers have harassed against employees by purporting to require them to provide proof of documentation regarding their citizenship or residence status in retaliation for those employees having participated in protected, concerted activities, and in an effort to interfere with, restrain, and coerce those employees and others from engaging in further protected, concerted activities.					
3. Full name of party filing charge (if labor organization, give full name, including local name and number) Workers Organizing Committee of Chicago					

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Coverage of Franchise Operations (continued)

INTERNET FORM NLRB-501 (2-08)		UNITED STATES OF AMERICA NATIONAL LABOR RELATIONS BOARD CHARGE AGAINST EMPLOYER		FORM EXEMPT UNDER 44 U.S.C. 3012 DO NOT WRITE IN THIS SPACE	
		Case	Date Filed		
		13-Ca-124488	3/14/2014		
INSTRUCTIONS: File an original with NLRB Regional Director for the region in which the alleged unfair labor practice occurred or is occurring.					
1. EMPLOYER AGAINST WHOM CHARGE IS BROUGHT.					
a. Name of Employer		b. Tel. No.		c. Cell No.	
(1) Karvites McDonald's, 824 N. Harlem, River Forest, Illinois, and (2) McDonald's USA, LLC, named as joint employers		(708) 771-5189			
d. Address (Street, city, state, and ZIP code)		e. Employer Representative		f. Fax No.	
see attachment				g. e-Mail	
i. Type of Establishment (factory, mine, wholesaler, etc.)		j. Identify principal product or service		h. Number of workers employed	
fast food restaurant		food		30	
k. The above-named employer has engaged in and is engaging in unfair labor practices within the meaning of section 8(a), subsections (1) and (1st subsections) (3) _____ of the National Labor Relations Act, and these unfair labor practices are practices affecting commerce within the meaning of the Act, or these unfair labor practices are unfair practices affecting commerce within the meaning of the Act and the Postal Reorganization Act.					
2. Basis of the Charge (set forth a clear and concise statement of the facts constituting the alleged unfair labor practices) see attachment					
3. Full name of party filing charge (if labor organization, give full name, including local name and number) Workers Organizing Committee of Chicago					

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Coverage of Franchise Operations (continued)

INTERNET FORM NLRB 501 (2-09)		UNITED STATES OF AMERICA NATIONAL LABOR RELATIONS BOARD CHARGE AGAINST EMPLOYER		FORM EXEMPT UNDER 44 U.S.C. 2012 DO NOT WRITE IN THIS SPACE	
		Case	13-CA-124813	Date Filed	3/19/14
INSTRUCTIONS: File an original with NLRB Regional Director for the region in which the alleged unfair labor practice occurred or is occurring.					
1. EMPLOYER AGAINST WHOM CHARGE IS BROUGHT					
a. Name of Employer		b. Address (Street, city, state, and ZIP code)		c. Cell No.	
(1) McDonald's #27107 North Milwaukee and (2) McDonald's Corporation, joint employers		(1) 2707 North Milwaukee, Chicago, IL 60647 (2) 2111 McDonald's Drive, Oak Brook, IL 60523		(1) 773-342-4052 (2) 800-244-6227	
d. Address (Street, city, state, and ZIP code)		e. Employer Representative		f. Fax No.	
		Fast food		g. e-Mail	
Type of Establishment (factory, mine, wholesaler, etc.)		Identify principal product or service		h. Number of workers employed	
Restaurant(s)		Fast food		(1) Approx. 56; (2) 100,000+	
k. The above-named employer has engaged in and is engaging in unfair labor practices within the meaning of section 8(a), subsections (1) and (1)(B) of the National Labor Relations Act, and these unfair labor practices are practices affecting commerce within the meaning of the Act, or these unfair labor practices are unfair practices affecting commerce within the meaning of the Act and the Postal Reorganization Act.					
2. Basis of the Charge (set forth a clear and concise statement of the facts constituting the alleged unfair labor practices)					
The charged parties, acting jointly and together, have interfered with, and are continuing to interfere with, protected, concerted activities by informing employees that information as to scheduling and hours is the confidential property of McDonald's Corporation and that "[a]ny use, copying or reproduction of this material, without the prior written permission of an Officer of McDonald's is prohibited and may lead to civil and criminal prosecution," notwithstanding that hours and scheduling are terms and conditions of employment that are of interest to the employees and about which employees should be free to communicate.					
3. Full name of party filing charge (if labor organization, give full name, including local name and number)					
Workers Organizing Committee of Chicago					

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Coverage of Franchise Operations (continued)

INTERNET FORM NLRB 501 (2-09)		UNITED STATES OF AMERICA NATIONAL LABOR RELATIONS BOARD CHARGE AGAINST EMPLOYER		FORM EXEMPT UNDER 44 U.S.C. 2012 DO NOT WRITE IN THIS SPACE	
		Case	02-CA-103384	Date Filed	04/23/2013
INSTRUCTIONS: File an original with NLRB Regional Director for the region in which the alleged unfair labor practice occurred or is occurring.					
1. EMPLOYER AGAINST WHOM CHARGE IS BROUGHT					
a. Name of Employer		b. Address (Street, city, state, and ZIP code)		c. Cell No.	
Bruce Colley & McDonald's USA, LLC as Joint or Single Employer		McDonald's 2049 Broadway, NY, NY 10023 & McDonald's USA, LLC, One McDonald's Plaza Oak Brook, IL 60525		212-828-3070	
d. Address (Street, city, state, and ZIP code)		e. Employer Representative		f. Fax No.	
		Bruce Colley & Gloria Santona		g. e-Mail	
i. Type of Establishment (factory, mine, wholesaler, etc.)		Identify principal product or service		h. Number of workers employed	
Restaurant		Food Service		Approx. 50	
k. The above-named employer has engaged in and is engaging in unfair labor practices within the meaning of section 8(a), subsections (1) and (1)(B) of the National Labor Relations Act, and these unfair labor practices are practices affecting commerce within the meaning of the Act, or these unfair labor practices are unfair practices affecting commerce within the meaning of the Act and the Postal Reorganization Act.					
2. Basis of the Charge (set forth a clear and concise statement of the facts constituting the alleged unfair labor practices)					
See Attached					
3. Full name of party filing charge (if labor organization, give full name, including local name and number)					
Fast Food Workers Committee					
4a. Address (Street and number, city, state, and ZIP code)		4b. Tel. No.			
		212-234-6666			

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GoWaiter Joint Enterprise Ruling

- Food delivery drivers – claiming that their compensation structure violated the Fair Labor Standards Act (FLSA) – adequately alleged that franchisor GoWaiter Franchise Holdings LLC and affiliate GoWaiter Business constituted a joint enterprise within the coverage of the FLSA, according to the federal district court in Atlanta (*Wilson v. GoWaiter Franchise Holdings, LLC*, March 18, 2014, Carnes, J.). Thus, the drivers were entitled to amend their complaint to add FLSA claims against the affiliate.



Joint Enterprise

- Related activities
- Unified operation or common control
- Common business purpose
- Certification of class

Press Coverage of Worker Suits

The New York Times | <http://nyti.ms/1kmDDyp>

BUSINESS DAY

McDonald's Workers File Wage Suits in 3 States

By STEVEN GREENHOUSE MARCH 13, 2014

McDonald's workers in California, Michigan and New York filed lawsuits this week against the company and several franchise owners, asserting that they illegally underpaid employees by erasing hours from their timecards, not paying overtime and ordering them to work off the clock.

The lawsuits were announced Thursday by the employees' lawyers and organizers of the union-backed movement that is pressing the nation's fast-food restaurants to increase wages to at least \$15 an hour.

In two lawsuits filed in Michigan against McDonald's and two Detroit-area franchise owners, workers claimed that their restaurants told them to show up to work, but then ordered them to wait an hour or two without pay until enough customers arrived.

Those lawsuits also argued that a McDonald's requirement that employees pay for their uniforms illegally reduced their pay below the federal minimum wage of \$7.25 an hour.

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NLRB/Labor Assault on Franchising

- White House Orders Changes to Overtime Rules
- Ambush Election Rule Threatens Business



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Questions, Comments, Discussion...





The New York Times | <http://nyti.ms/1kmDDyp>

BUSINESS DAY

McDonald's Workers File Wage Suits in 3 States

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McDonald's workers in California, Michigan and New York filed lawsuits this week against the company and several franchise owners, asserting that they illegally underpaid employees by erasing hours from their timecards, not paying overtime and ordering them to work off the clock.

The lawsuits were announced Thursday by the employees' lawyers and organizers of the union-backed movement that is pressing the nation's fast-food restaurants to increase wages to at least \$15 an hour.

In two lawsuits filed in Michigan against McDonald's and two Detroit-area franchise owners, workers claimed that their restaurants told them to show up to work, but then ordered them to wait an hour or two without pay until enough customers arrived.

Those lawsuits also argued that a McDonald's requirement that employees pay for their uniforms illegally reduced their pay below the federal minimum wage of \$7.25 an hour.

"Our wages are already at rock bottom," Sharnell Grandberry, a McDonald's worker in Detroit, said in a news release announcing the suit. "It is time for McDonald's to stop skirting the law to pad profits. We need to get paid for the hours we work."

A McDonald's spokeswoman released this statement: "McDonald's and our independent owner-operators share a concern and commitment to the well-being and fair treatment of all people who work in McDonald's restaurants. We are currently reviewing the allegations in the lawsuits. McDonald's and our independent franchisees are committed to undertaking a comprehensive investigation of the allegations and will take any necessary actions as they apply to our respective organizations."

In three lawsuits brought in California, the workers claim that the McDonald's restaurants employing them did not pay them for all hours worked, shaved hours from pay records and denied them required meal periods and rest breaks.

The lawyers are contending that McDonald's should be considered a joint employer and share liability with its franchisees, although the company, like many other fast-food chains with franchises, has argued in the past that it is not a joint employer and should not be liable for its franchisees' misdeeds on the ground that the franchised restaurants are independently run businesses.

The strategists behind the push for a \$15 wage, which is largely financed by the Service Employees International Union, are trying to pressure McDonald's and other fast-food chains to increase wages and not oppose union-organizing efforts. The movement began with several one-day strikes in New York in 2012 and expanded to one-day strikes in more than 70 cities last December.

Several McDonald's workers also filed suit in New York, contending that they were not reimbursed for the cost of cleaning their uniforms. "Because McDonald's restaurants pay so little, forcing workers to clean their Golden Arches uniforms on their own dime drives many workers' wages below the legal minimum," said Jim Reif, a lawyer for the New York plaintiffs.

All told, seven lawsuits have been filed, including one against the roughly 100 McDonald's restaurants in California that are company-owned and operated. That lawsuit aims to be a class action representing 27,000 current and former McDonald's employees.

The lawyers said most McDonald's franchisees used software provided by the company that calculates employee-to-sales ratios and instructs restaurants to reduce staffing when sales drop below a certain level in any given hour. As a result, the lawyers said, some McDonald's workers in the suit were ordered, upon

reporting to work, not to clock in for an hour or two and instead wait until more customers arrived.

In several lawsuits, workers contend that they were at times told to clock out but remain in the restaurant or parking lot for an hour to two after business slowed down — perhaps when business slackened after the breakfast rush — so they could be on hand to clock back in when hourly sales picked up.

Jason Hughes, a McDonald's employee in Fremont, Calif., said sometimes he was ordered to punch out soon after starting work and to hang around unpaid. "I'd have to be ready to punch in as soon as the store gets busy," he said. "When the store is understaffed, our management would tell us we can't take our breaks."

A version of this article appears in print on March 14, 2014, on page B8 of the New York edition with the headline: McDonald's Workers File Wage Suits in 3 States.

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Paul Slack Bio:

Paul Slack is a serial entrepreneur with more than 20 years of direct marketing experience. He is also the author of Social Rules: A Common Sense Guide to Social Media Marketing and is a sought after speaker in the internet marketing space. He has been featured in Success Magazine, radio, and big stage events, and has trained tens of thousands of business leaders across the country on the best ways to leverage social media for their businesses.

Paul will cut through the noise and share with you the secrets, methods and best practices you need to succeed in social media.

Topics Include:

- Developing an Integrated Internet Marketing Strategy for Franchise Brands and their Franchisees
- Social Media: 5 Secrets to Success
- Social Media Essential Ingredients for Building Community
- Using Social Media for Franchise Development

During his talk you will learn how to leverage social media to:

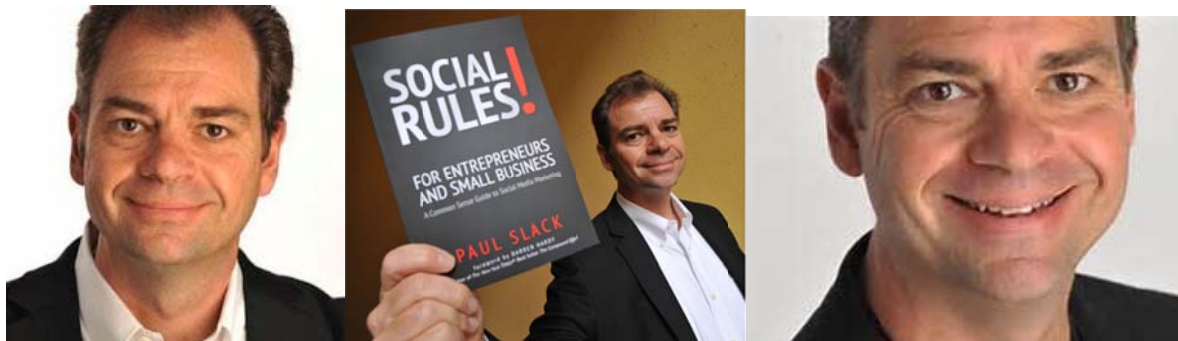
- Get in front of more buyers
- Make more sales
- Generate more revenue

For more information on Paul's background visit his LinkedIn profile -

<http://www.linkedin.com/in/paulslack>

For a list of previous speaking engagements - <http://vendesocial.com/services/social-media-speaking/>

Paul Slack Headshot(s)



Objective

1. Deliver value
2. Tie tactics to strategy
3. Answer your questions



About Vende Social

Equipping, Enabling,
Empowering Franchises
for Social Media
Success



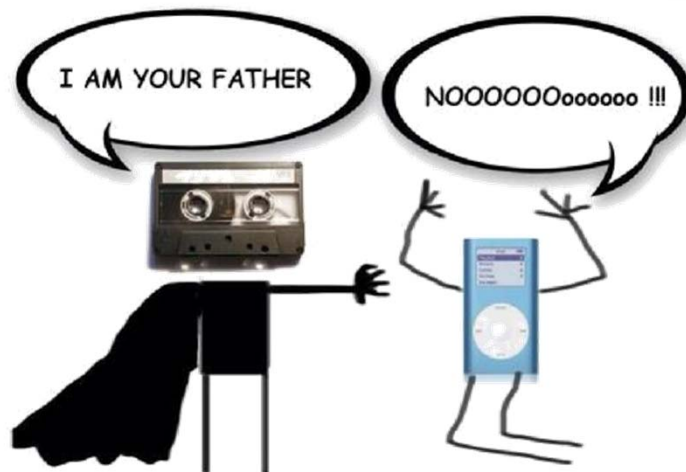
What We Do

We help franchises win online by providing:

- Strategy and policy development
- Content marketing
- Social media training and coaching
- Reputation management
- Search engine marketing execution
- Website usability and messaging



Embrace Innovation



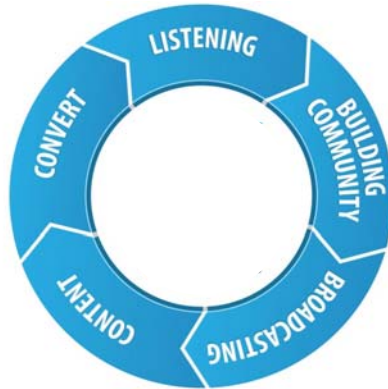
Unlocking the Keys

1. Getting in front of **CUSTOMERS**
2. Making more **SALES**
3. Generating more **REVENUE**



**READY TO
JUMP IN?**

Tactical Wheel



Listening



■ Using key phrases for:

- ✓ Monitoring conversations.
- ✓ Searching for people.
- ✓ Identifying content.
- ✓ Looking for people talking about you or your competitors.

Listening Example



Hayden Hopkins @haydenhopkins

20 Nov

i need help with math. and chemistry. i also need help with history and literature. but most of all spanish

Expand

Reply Retweet Favorite Buffer More



Club Z! Corporate @clubzinc

Hi Hayden @haydenhopkins! We have some great tutors that can help you. Visit our website bit.ly/18SPV

Hide conversation Reply Retweet Favorite

3:54 PM - 11 Dec 13 · Details



carlo @mrkallifornia

20h

I need someone to help me study with geometry tonight like no joke.

Expand

Reply Retweet Favorite Buffer More



Club Z! Corporate @clubzinc

17h

Hi Carlo @mrkallifornia! We know **geometry** can be hard and we have great tutors that can **help** you. Visit our website bit.ly/18SPWgd.

Retweeted 1 time

Hide conversation Reply Retweet Favorite Buffer More

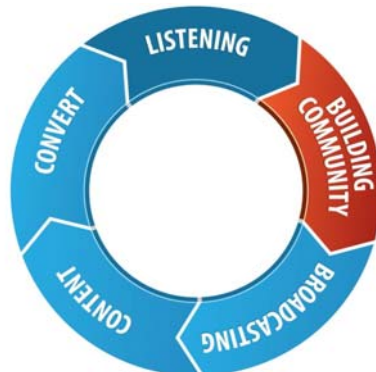
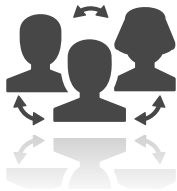
1 RETWEET

1 FAVORITE



Paul Slack : 972-816-8548 : pslack@vendesocial.com

Building Community



Three A's:

- ✓ Awareness
- ✓ Activation
- ✓ Advertising

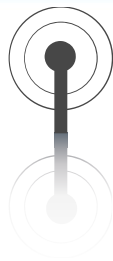


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10



Broadcasting



- 20-30% Creating engagement
- 20-30% Curated
- 20-30% Drive traffic
- 10-20% In other's environments
- 10-20% Promotional

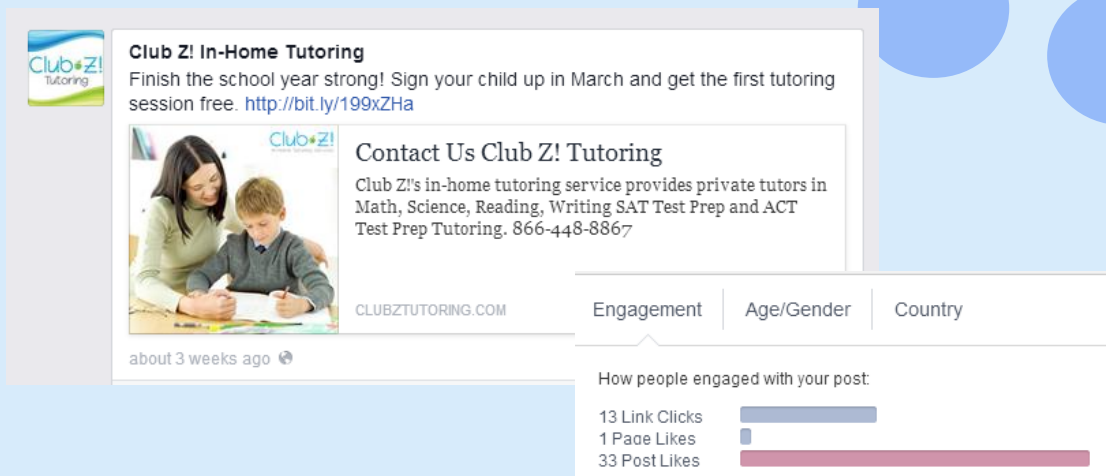
Social Media Currency

What we will deliver to maintain value:

- Knowledge
- Products
- Humor/Inspiration
- Promotions
- Special Offers



Broadcasting - Promotional



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about 3 weeks ago

Engagement	Age/Gender	Country
How people engaged with your post:		
13 Link Clicks		
1 Page Likes		
33 Post Likes		

Content



- Strategic Content Marketing
- More than Valuable... Remarkable

Content Centric





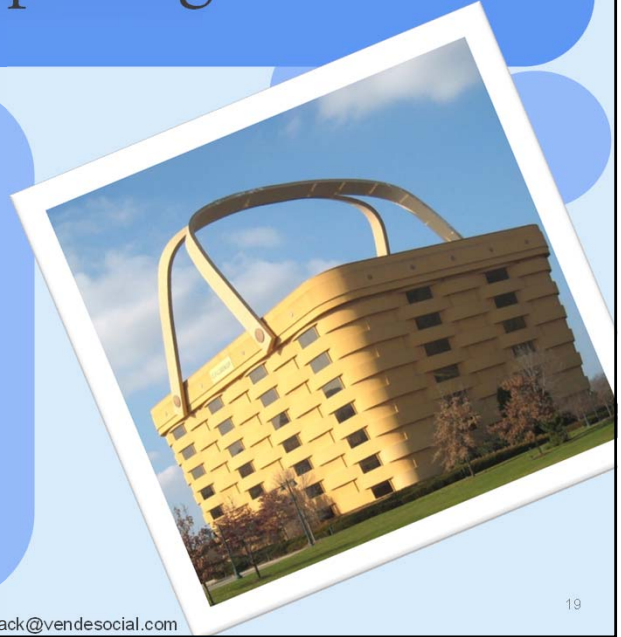
CONTENT

- Awareness
 - 30%-40%
- Evaluation
 - 30%-40%
- Purchase/Decision
 - 20%-40%

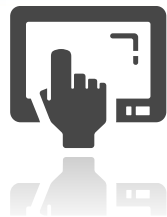


Remarkable & Compelling

1. Stories sell
2. Instructional How-To's
3. FAQs
4. Product demo
5. Infographics
6. Lists/organized content
7. Industry updates
8. Controversial



Convert



- Remember ABCs:
 - ✓ Monthly offers & promotions
 - ✓ 90:10 Rule
 - ✓ Contact numbers in profiles
 - ✓ Calls-to-action
 - ✓ Ties to website

Like

Share

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Feed the hungry in your area by entering into our Thanksgiving contest.

Like Us for a chance to win \$400 in cash. (\$200 for you and \$200 for a food bank in your area!)

WE OUR FANS

AND TO PROVE IT WE'RE GIVING AWAY A \$5 STARBUCKS GIFTCARD TO ONE LUCKY FAN EVERY DAY

DON'T MISS OUT! "LIKE" TO BECOME A FAN AND

Thank you!
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Register for your chance to win a \$5 gift card daily from 12/2-12/24!

\$5 Starbucks Giveaway on fb.me

Sponsored

Club Z! Corporate @clubzinc

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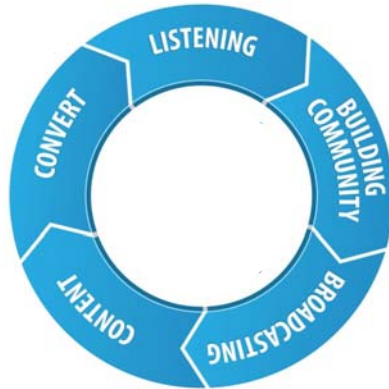
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Tactical Wheel



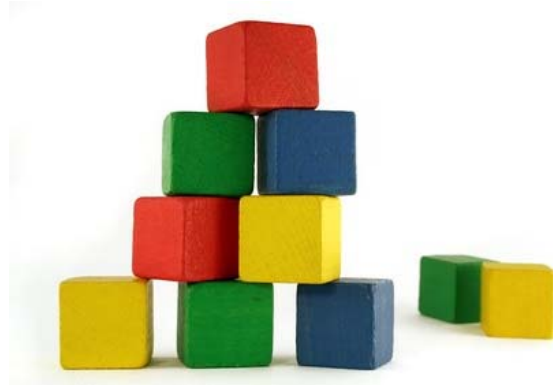
Leveraging Strengths

- The brand AND the franchisee have a role to play
- Creating awareness & developing positive feedback is critical
- You'll need to build relationships at the hyper-local level

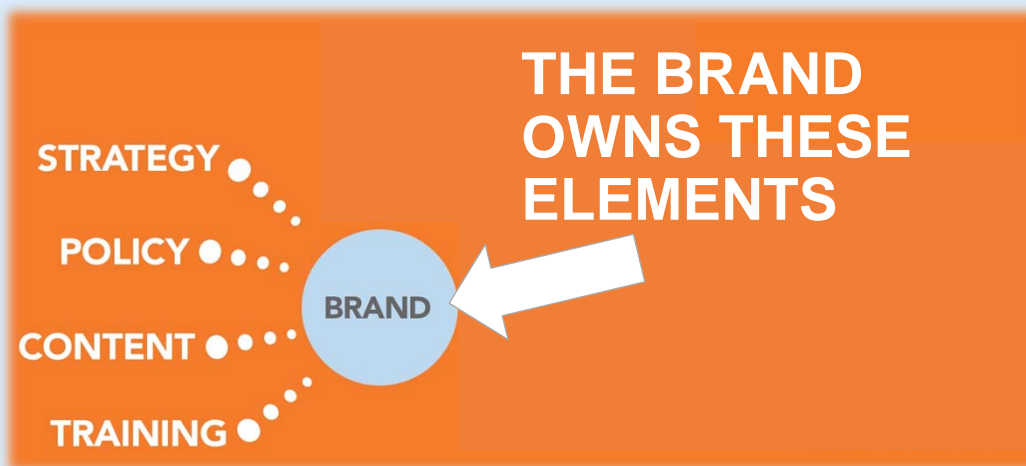


Building Blocks

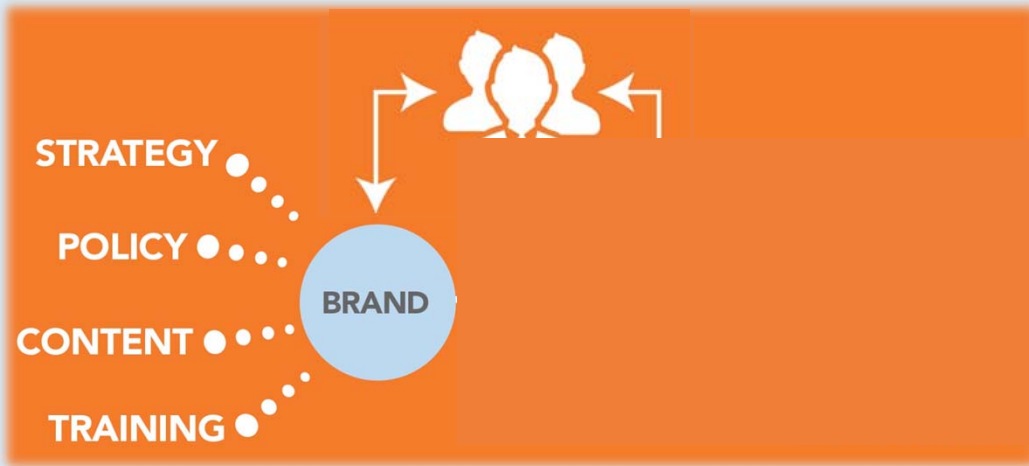
1. Strategy
2. Policy
3. Content
4. Training
5. Engagement
6. Reviews
7. Promotion



#3 Leverage Strengths



The Opportunity for Franchises



Next Steps

- FSI 100 Social Media Analysis & Review



FSI 100 Franchise Social Index

All Social Networks

Select Audience

Services

In Home

FISH WINDOW CLEANING
SentiMeter: 10% positive

CERTAPRO PAINTERS
SentiMeter: 59% positive

VISITING ANGELS
SentiMeter: 51% positive

CHEM-DRY
SentiMeter: 47% positive

See how you're doing against your peers by network, audience, and category

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Next Steps

- FSI 100 Social Media Analysis & Review
- Social Rules e-Book
- Contact: pslack@vendesocial.com

Time for your questions!

Thank You!

Paul Slack : 972-816-8548 : pslack@vendesocial.com

2014



FRANCHISE POLICY PLATFORM

Main Street businesses, including franchises, are a pillar of job creation. America's 825,000 franchise establishments support nearly 18 million jobs, \$2.1 trillion in economic output and 3.4 percent of GDP. While the industry is projected to increase the number of jobs created by 2.3 percent, the number of franchise units by 1.7 percent and economic output by 4.7 percent in 2014, the franchise industry would see additional growth if the following policy changes were to be enacted:

Health Care

Since its passage in 2010, the Affordable Care Act has been the top policy concern for franchise small business owners. Even though the law's employer mandate was delayed for one year, franchise owners are already facing increased costs and are making personnel changes in response. These new costs are compounded by the regulatory avalanche facing businesses now that the law has taken effect. To help preserve existing jobs, hours and take-home pay at small businesses across the country, Congress should address the diminished threshold for full-time work, which the ACA sets at 30 hours per week. H.R. 2988 / S. 1188, the Forty Hours is Full Time Act, sponsored by Rep. Dan Lipinski (D-IL) and Sens. Susan Collins (R-ME) and Joe Donnelly (D-IN) and H.R. 2575, the Save American Workers Act, sponsored by Rep. Todd Young (R-IN), would return 40 hours per week as the standard for full-time employment. Applying the employer mandate only to those businesses with 50 full-time employees, instead of full-time equivalent employees, will also help preserve full-time jobs. Additionally, the Administration should move quickly to repair the long-delayed and functionally-diminished SHOP exchanges, the online marketplaces designed for small business owners to purchase coverage and obtain tax credits.

Comprehensive Tax Reform

Lowering corporate tax rates will make America more competitive globally and drive job creation. For years, tax reform has only been considered from the viewpoint of large corporations. However, the Administration and Congress should not ignore the fact that many businesses, including 80 percent of franchisees, file business income on individual tax returns. Given that small businesses create nearly two-thirds of net new jobs in the U.S., any tax reform package must address both corporate and individual rates to empower franchise small businesses as they drive the American economic recovery. Any reform that removes important business tax deductions should also lower the overall tax rate for both corporations and individuals. Policymakers should aim to address tax reform through the lens of effective tax rates rather than statutory rates to drive growth and investment across all sectors of the economy.

Immigration Reform

Last summer, the U.S. Senate passed S. 744, the Border Security, Economic Opportunity and Immigration Modernization Act of 2013, a comprehensive immigration reform package that includes an employment eligibility verification program (E-verify) and a new W-visa program to allow low-skilled workers to enter the United States legally. We encourage the House of Representatives to move forward with a solution to the current unworkable immigration laws. While the Senate bill addresses many of the current and future labor needs of franchise businesses, there are several opportunities to improve the legislation for the benefit of all American businesses. The Legal Workforce Act, sponsored by Rep. Lamar Smith (R-TX) includes more effective E-verify language that should ultimately be included in a final immigration reform law to provide stronger protections to employers in the hiring process. We also encourage the House to include a more robust W-visa program that will fully meet the future workforce needs of the franchise industry. Additionally, IFA supports H.R. 1354, the Jobs Originated through Launching Travel (JOLT) Act, which would enhance visa waivers and other programs to encourage travel and tourism to the United States.

Workforce Policy

This year will be critical in the ongoing struggle against overreaching labor regulations that benefit unions at the expense of America's workers and employers. The composition of, and key decisions made by the National Labor Relations Board (NLRB) will be examined by the U.S. Supreme Court. Legislators will debate an increase in the minimum wage that will hurt job growth while doing little to diminish poverty. A key U.S. Department of Labor policymaker will likely begin his crusade of selective regulatory enforcement and bias towards the franchise industry. With so much at stake as the economic recovery builds, the nation's workers and small business owners deserve focused and effective pro-growth policies. Congress should work to reverse the negative impact of overreaching regulatory action by the NLRB, while rejecting a short-sighted minimum wage increase in favor of improving on more comprehensive and efficient policies to help working families, such as the Earned Income Tax Credit.

Access to Credit

Although the economy has showed signs of improvement, and business development loans levels have increased, there is still a 9.7 percent lending shortfall between franchise demand for growth and banks' ability to meet the demand. IFA will continue its strong and focused efforts to remove roadblocks that franchise small business owners face in accessing credit to grow and expand their businesses. Since IFA's initial Small Business Lending Summit in 2011, the association has worked diligently to increase understanding between the franchise community and bankers, and these efforts have helped drive progress in expanding credit access. Development programs within the U.S. Small Business Administration (SBA), such as the guaranteed 7(a) and 504 loan programs, have served as an important lifeline for small businesses during the economic downturn. To continue to build on these programs and their successes, IFA supports the passage of H.R. 1240 / S. 289, the Commercial Real Estate and Economic Development (CREED) Act, to extend the SBA's low-interest refinancing programs.

Veteran Franchise Ownership

IFA strives to honor our nation's returning veterans through the Veterans Franchising Initiative, or VetFran. As part of VetFran, 610 member companies voluntarily offer financial incentives to honorably discharged veterans to purchase a franchise. Since 2011, nearly 5,200 veterans have become new franchise owners and over 150,000 veterans have started careers in franchising. To expand on these efforts, IFA urges Congress to pass legislation to aid our veterans by investing in their future. S. 1015, the Help Veterans Own Franchises Act, sponsored by Sens. Bob Casey (D-PA) and Marco Rubio (R-FL) and H.R. 3725, the Veteran Entrepreneurs Act, sponsored by Rep. Bill Flores (R-TX), would both provide significant incentives for veterans to start a franchise business in the form of tax credits.

Contact

For more information, contact Jay B. Perron, Vice President, Government Relations and Public Policy, at jperron@franchise.org, or visit us on the web at franchiseeconomy.com or franchise.org.

INTERNATIONAL FRANCHISE ASSOCIATION

STATEMENT OF GUIDING PRINCIPLES



For over fifty years the International Franchise Association has worked to educate franchisors and franchisees on beneficial methods and business practices to improve franchising.

Franchising is a dynamic and evolving method of expansion and business ownership. Beginning with the adoption in 1970 of the first franchise disclosure requirement in California; working with the Federal Trade Commission to achieve the first national franchise disclosure rule in 1979; continuing with our efforts that contributed to changes to the federal Franchise Rule in 2007; and ensuring an ongoing constructive dialogue between our leadership and federal and state regulators and government leaders, the IFA has continually worked for improvements to pre-investment franchise disclosure and franchise relations.

Through the considerable and continuing efforts of our association and its members, the IFA has contributed to the growth and stability of franchising in the United States. It is because of the historic and continuing efforts of the IFA and its members to improve pre-investment disclosure and advance beneficial franchising practices that franchising is one of the most important vehicles today for the creation of small businesses ownership and jobs in the United States.

This Statement of Guiding Principles has been promulgated for and has been adopted by the Board of Directors of the International Franchise Association in our continuing effort to advance improvements in franchise practices and to enhance franchise relations. As an association of franchisors, franchisees and suppliers we believe:

- 1 Franchising is a unique business model. It is in the interest of the franchisor, each franchisee, the suppliers to the franchise system and the consuming public that franchisors define, maintain and enforce Brand Standards throughout the franchise system.
- 2 It is the goal of every business that each stakeholder be successful and franchising is no different. Franchisors and franchisees need to be profitable to be successful. However, as in any business model, franchising is not immune to the risk of failure and neither the franchisor nor the franchisee is guaranteed economic success.
- 3 Franchisees should clearly understand the franchise business model before investing. It is the responsibility of each prospective franchisee to conduct a thorough due diligence of the franchise system, to retain competent legal and other advisors, and to fully understand the terms contained in the Franchise Disclosure Document before signing any Franchise Agreement.
- 4 Prospective franchisees have the prerogative, at the start of the franchise relationship, whether or not to enter into any particular franchise relationship. Prospective franchisees may also choose to not become franchisees of any franchise system.
- 5 While not transferring any equity in the franchisor's intellectual property to the franchisee, franchisees should have the opportunity to monetize any equity they may have developed in their business prior to the expiration or termination of the franchise agreement.
- 6 The licensor is the owner of its intellectual property, including without limit, its trademarks, trade secrets, methods and standards of operations. The Licensor has the right and also the obligation, under the law, to protect its intellectual property and to define the terms under which it licenses to others the use of its intellectual property. It is the terms contained in the Franchise Agreement that define the license granted to franchisees and which govern the relationship between the franchisor and franchisee.
- 7 Franchisors should clearly understand the franchise business model prior to choosing franchising as a method to expand their business concept. Franchisors should be knowledgeable and understand the financial, business and legal terms included in their Franchise Disclosure Document and Franchise Agreement.
- 8 The franchisor has the right, as owner of its intellectual property, to include or not include successor rights in the Franchise Agreement offered to prospective franchisees. The franchisor also has the right to establish the then current terms contained in the successor agreements it offers to franchisees. Franchisees may choose to negotiate, accept or reject any offer.
- 9 Clarity and transparency is essential for establishing and maintaining positive franchise relationships and for the goal of continuous improvements in the franchising environment. Franchisors and franchisees should maintain proactive business policies, communication practices and regularly consult with each other for the enhancement of franchise relations.
- 10 Subject to the requirements under the law, franchisors should focus primarily on the business requirements of managing and striving for improvements to their franchise system. Franchisors should support their franchisees and enforce Brand Standards necessary to enhance the economic performance for both the franchisees and the franchisor. It is the responsibility of franchisees to manage the day-to-day affairs of their businesses to meet the franchisor's Brand Standards.
- 11 Improved pre-investment disclosure will benefit both prospective franchisees and franchisors by enhancing the competition among franchisors for qualified franchisee candidates. By clearly communicating the terms contained in a franchise offering, prospective franchisees will be better able to evaluate and make investment choices among the wide range of franchise opportunities available to them and to choose from those that meet their goals, ambitions, financial and, other requirements.
- 12 Market Forces, and not government mandates and relationship laws, should create the climate for changes to Franchise Agreements and should drive improvements in franchising practices.

State Affairs Memorandum

California

- California's SB 610, the "California Franchise Relations Act"
- IFA won two significant victories in California in 2013
 - Two franchise relationship bills AB 1141 and SB 610, failed to move forward after IFA-coordinated advocacy efforts to mobilize members and educate legislators on the detrimental impacts that these bills would have on the franchise business model/relationship and the California economy.
 - SB 610 was pulled from the California Assembly Business, Professions and Consumer Protection Committee last session by its sponsor once it became apparent there was little support for the bill by the Committee's ten Democrats and four Republicans.
 - IFA worked closely with coalition partners that included franchisees, franchisors and local associations. By hearing directly from franchisors and franchisees about the strength of the franchise model, the partnership that exists between both parties, and the strong regulatory environment the industry is already governed by, legislators recognized SB 610 was a solution to a problem that did not exist.
 - While the bill was pulled for 2013, moving forward, IFA continues to have a strong coalition and grassroots operation to ensure the bill does not move forward in its current form in 2014.
- IFA hosted a second annual California Franchise Day on March 4, 2014 at the California Capitol in Sacramento.
 - In a proactive effort, IFA and its members made a concerted effort to educate and advocate legislators on the franchise business model and the large economic impact it has on California.
 - The delegation heard from several Committee Chairs and leadership from both parties in the morning as well as Nancy McFadden, a top advisor to Governor Jerry Brown, before breaking into smaller groups for more than 40 meetings with individual legislators throughout the afternoon.
 - We received a great deal of positive feedback from both our members and the legislators, and it was clear that our efforts advocating and educating on behalf of the franchise industry allowed us to strengthen relationships onwards.
 - Moving forward, IFA will continue its outreach and engagement in California inviting legislators to in-district meetings and roundtables this spring and summer.
 - IFA California State Website: <http://protectcabusiness.com/>
 - The Bill: [SB 610, the "California Franchise Relations Act"](#)

Connecticut

- Connecticut's HB 5069, "An Act Concerning Low Wage Employers"
 - The bill was introduced on February 10, 2014 and referred to the Joint Committee on Labor and Public Employees
- The Bill would obligate franchisors with more than 500 employees (note: not on their own employees, but on the employees of independent franchisees) in CT, whose franchisees fail to pay their employees a "prevailing wage", no less than \$11.31 an hour, would be required to pay a significant tax penalty.
- IFA's Dean Heyl testified against the bill at a preliminary hearing.
- This legislation blurs the line between a franchisee & franchisor beyond any measure we have seen
 - The constitutionality of this mandate is questionable.

The Bill: [HB 5069, "An Act Concerning Low Wage Employers"](#)

Pennsylvania

- Pennsylvania's HB 1620
- Nov. 19 - An IFA panel testified against PA HB 1620
 - No vote on the bill took place, and we didn't believe that the bill was going to move forward this year. Daley, however, is likely going to be a thorn in the side of the IFA.
 - IFA had a very successful couple of days in Harrisburg and had successfully delivered the message to legislators that HB 1620 would significantly harm the franchise industry.
 - An IFA-led panel, who testified against HB 1620, faced off with the bill sponsor Peter Daley (the former Quizno's franchisee who has embraced the CFA effort), who was especially passionate and colloquial about the issue. The panel consisted of IFA Board Member Charlie Chase, FASTSIGNS International, franchisee in Philadelphia Clint Ehlers and former IFA Board Member Lane Fisher, as well as FranNet's Steve Rosen, who all testified against the bill which contains numerous provisions that needlessly complicate the already complex laws governing franchise relationships, while also challenging the nature of that relationship with excessive regulation.
 - Bill unlikely to move beyond committee, although another hearing is possible.
 - No vote on the bill took place in the , and we do not believe the bill is going to move forward this year, however Daley may prove to be a thorn in the side of the IFA going forward.
 - IFA Pennsylvania State Website: <http://supportpennsmallbiz.com/>
 - The Bill: [HB 1620](#)

Massachusetts

- Massachusetts' S. 73, "An Act Protecting Small Business Investments"
- Dec. 12 - An IFA panel testified against MA S. 73, a franchise relationship bill
 - An IFA –led panel testified before the Massachusetts Joint Committee on Community Development and Small Business in opposition to S. 73.
 - The legislation, introduced by State Senator Brian Joyce (D - Norfolk, Bristol and Plymouth), contains strict new regulations on franchise contracts and introduces vague new language that would water down franchise contracts and burden the courts with frivolous litigation.
 - The IFA panel included a franchisee (Dave Tourville), a franchisor (Ken Kaplan), and a supplier expert (Lane Fisher), explained the negative effects that additional government interference would have on already complex franchise relationships.
 - Also discussed was the formation of a new working group to find common ground. However, given that last year's working group produced the language that would become S. 73, against the objections of representatives from the business community, it is unlikely that such a measure would produce an equitable solution, and therefore IFA would oppose this measure.
- The bill remains in committee and will likely not pass.
- IFA Massachusetts State Website: <http://keepmabizstrong.com/>
- The Bill: [S. 73, "An Act Protecting Small Business Investments"](#)

Maine

- Maine's LD 1458, the "Maine Small Business Investment Protection Act"
- Coalition of Franchise Associations' (CFA) self-proclaimed "dream bill".
- Introduced in April of 2013, tabled until January.
- Jan. 8 – An IFA-led coalition met Governor and prominent Maine legislators
 - IFA and a Maine-based delegation of franchisors and franchisees met with Governor LePage and other leadership to address our opposition and concerns with this bill.
 - The meeting and our concerns were well received by the Governor and the LCRED committee, who would like to hear more from our Maine opposition.
- Jan 15 – Bill amended to "less bad" version
 - The LCRED Committee tabled LD 1458 and considered an amended version in a work session on Thursday, Jan. 23.
 - The committee analyst, at the direction of Chairman Patrick who filed the amendment, took language nearly verbatim from the Maine automobile dealers' law and applied it to business format franchises.
 - This is a flawed, one-size-fits-all approach to regulating business format franchise relationships and contracts that span a wide spectrum of industries including restaurant, hotel, service, retail, real estate.
- Jan. 24 – Bill amended again to "even more less bad"
- Jan. 28 – Bill amended third time

- Jan. 30 – All Republicans and 2 Democrats undermine Chairs of Committee and support amendment to strike all language and create a “resolve” to determine if legislation is necessary.
 - The LCRED Committee voted for a bipartisan resolve 7-5-1 to send LD 1458 to a study committee. This resolve would examine if franchise legislation is even necessary at all and would require state funding.
- March – on House calendar
- March 13-31 – Initiated an all-out campaign that included a number of different messaging, outreach, advertising, and media tactics, in response to a House vote to pass the Majority Report.
- April 2 –The Maine Senate voted 24-10 to reject the LD 1458 Minority Report. Immediately after rejecting LD 1458’s minority report, the Senate by unanimous consent approved the Majority Report calling for a “resolve” to study franchise relationship issues and determine if legislation is necessary to regulate franchise businesses in Maine. The “resolve” bill will now go back to the House for reconsideration. The House will either stay with their original vote approving the Minority Report, which would kill the bill outright due to nonconcurrency; or vote to approve the Majority Report passed by the Senate. House action could be as early as this week as the Legislature is hoping to adjourn by April 16.
- IFA Maine State Website: <http://protectmainesmallbiz.com/>
- The Bill: [LD 1458, the “Maine Small Business Investment Protection Act”](#)

New Hampshire

- New Hampshire’s HB 1215, “An Act Relative to the Rights of Franchises”
 - Almost identical to the Maine legislation. It was immediately scaled back to 4 principles following IFA “punch in the mouth” campaign
- Those in support of the bill were representatives from the Coalition of Franchisee Associations (CFA) and the Dunkin’ Donuts Independent Franchise Owners (DDIFO).
- Feb. 4 – Initial hearing, subcommittee created
 - IFA testified against the bill along with a strong panel of in-state franchisees and franchisors. The sponsor amended the bill down considerably, however the legislation still contains the same damaging provisions seen in other states.
 - The bill was referred to a Subcommittee (standard process in NH), which consisted of Representatives Chris Muns of Hampton, Emily Sandblade of Manchester, and Kermit Williams of Wilton.
 - The first meeting of the Subcommittee was held on Friday, February 14th at 1pm.
- Feb. 14 – Subcommittee hearing held
 - The subcommittee met for nearly three hours before adjourning, acknowledging that the issues surrounding franchise law were "complex". Although no announcement has been made regarding the subcommittee's recommendations on the bill, one is expected in the coming week.
- Feb. 28

- Before the measure moves to the full committee for a vote the committee is expected to approve the subcommittee's proposal. IFA will attend the hearing and has provided legislators with testimony and other detailed information on the damaging effect that the bill would have on employers, employees and consumers in New Hampshire.
- March 4 – Subcommittee likely to recommend resolve
 - The Commerce and Consumer Affairs Committee rejected a proposal to create a formal study commission on HB 1215. Subsequent to that, the committee voted 17-1 to recommend that the bill be placed into an "Interim Study," which would start an informal, committee-level process to study the bill and make additional recommendations if needed.
 - If the full House votes to confirm the Committee's recommendation, no legislative action will be taken on this bill during the current legislative session.
- March 12 – Voted to move bill to an interim study
 - The NH House of Representatives voted to move HB 1215 to an interim study, approving an earlier recommendation by the Committee on Commerce and Consumer Affairs.
 - The move will start an informal, committee-level process to examine the franchise relationship bill and determine if any further action is necessary.
 - Having been moved to interim study, no legislative action will be taken on this bill during the current legislative session and an entirely new piece of legislation will be needed to move the issue forward in future sessions.
 - IFA New Hampshire State Website: <http://keepnhbizrocksolid.org/>
 - The Bill: [HB 1215, "An Act Relative to the Rights of Franchises"](#)