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BLOGS

Franchise Sales/Transactions

New York Adopts “2012 Franchise Expo” Registration Exemption

Franchisors who wish to exhibit at the June 2012 International Franchise Expo (IFE), being held for the first time this year in New York, may have the opportunity to do so without registering their franchises in the state. In October, the New York Office of the Attorney General published a unique franchise registration exemption under its “general” exemption powers pursuant to N.Y. Gen. Bus. L. § 684(1). Although the exemption will not allow franchisors to “sell” franchises or distribute Franchise Disclosure Documents, for \$150 per day franchisors can attend the 3-day IFE, distribute promotional materials, and gauge interest in their franchises.

To take advantage of this 2012 IFE exemption, a franchisor must submit an exemption application form, which requires it to detail its litigation and bankruptcy history and answer general questions regarding its current and targeted franchise markets. Once a franchisor receives the exemption, it must display a prescribed sign at its booth alerting prospective franchisees that it is “not registered in New York, [and] is not lawfully permitted to sell franchises from or in New York.”

The exemption application form may be found at:

http://www.ag.ny.gov/bureaus/investor_protection/franchise/NY%20Franchise%20Trade%20Show%20Application%20Final.pdf