

FRANCHISERS SUPPLEMENTAL APPLICATION

1. Name of Applicant: _____

2.
 - 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? _____

3. Does any subsidiary of the applicant provide services to the franchisees? ☐ Yes ☐ No
If yes, please provide details. _____

4.
 - a. Does the applicant have a franchise director's compliance program? ☐ Yes ☐ No
If yes, please 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.

5. Briefly describe the process for selecting and qualifying prospective franchisees. _____

6. Does the Applicant debrief prospective franchisees prior to execution of the franchise agreement?

7. 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 contract. ☐ 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. Investigate reports or tests regarding prospective franchises. ☐ Yes ☐ No ☐ Not Applicable
 - h. Rates related correspondence, memoranda and notes of conference. ☐ Yes ☐ No ☐ Not Applicable
 - i. Investigate and investigate professional advisor(s) to franchise. ☐ Yes ☐ No ☐ Not Applicable
 - j. Copies of franchise offering and delivered and dares 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

8. 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. _____

9. Describe any established procedure, precautions or safeguards the Applicant has in place with respect to resolving disputes with franchises. _____

10. 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. _____

11. 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 a person authorized to execute
on behalf of the Applicant.*

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND [NY: SUBSTANTIAL] CIVIL PENALTIES. (Not applicable in CO, DC, FL, HI, KS, MA, MN, NE, OH, OK, OR, VT or WA; in LA, ME, TN and VA, insurance benefits may also be denied)

IN THE DISTRICT OF COLUMBIA, WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS, IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT.

IN FLORIDA, ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.

IN KANSAS, ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO DEFRAUD, PRESENTS, CAUSES TO BE PRESENTED OR PREPARES WITH KNOWLEDGE OR BELIEF THAT IT WILL BE PRESENTED TO OR BY AN INSURER, PURPORTED INSURER, BROKER OR ANY AGENT THEREOF, ANY WRITTEN STATEMENT AS PART OF, OR IN SUPPORT OF, AN APPLICATION FOR THE ISSUANCE OF, OR THE RATING OF AN INSURANCE POLICY FOR PERSONAL OR COMMERCIAL INSURANCE, OR A CLAIM FOR PAYMENT OR OTHER BENEFIT PURSUANT TO AN INSURANCE POLICY FOR COMMERCIAL OR PERSONAL INSURANCE WHICH SUCH PERSON KNOWS TO CONTAIN MATERIALLY FALSE INFORMATION CONCERNING ANY FACT MATERIAL THERETO; OR CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT.

IN MASSACHUSETTS, NEBRASKA, OREGON AND VERMONT, ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, MAY BE COMMITTING A FRAUDULENT INSURANCE ACT, WHICH MAY BE A CRIME AND MAY SUBJECT THE PERSON TO CRIMINAL AND CIVIL PENALTIES.

IN WASHINGTON, IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES, AND DENIAL OF INSURANCE BENEFITS.