Foreword

The FTC restored its primacy in franchise disclosure with the adoption of the Amended Franchise Rule in January 2007. The following year, the ABA Forum on Franchising published the first edition of The Franchise FTC Rule, giving our members important and very timely guidance on the challenging transition from the UFOC Guidelines format of franchise disclosure to this new federal regulation. A second edition followed in 2012, providing updates and insights on how the Amended Rule was being utilized by practitioners and applied by regulators.

In the interim, additional guidance on franchise disclosure has come from both the FTC and NASAA. It is against this backdrop that the Forum on Franchising proudly introduces The FTC Franchise Rule, Third Edition.

At the Forum, we are truly blessed to have such a wide array of learned and experienced practitioners who are more than willing to provide the benefit of their wisdom to their fellow practitioners. So it is with the editors of this publication, Susan Grueneberg, Ann Hurwitz, and Alexander Tuneski. Their vision, hard work and dedication to this task have been essential to its timely completion. We also owe a deep debt of gratitude to the current chair of the Publications Committee, David W. Oppenheim, as well as to his predecessor, Jim Goniea, for their vital role in this very important project.

The work of the chapter authors deserves much praise and admiration as well, and I wish to thank each of them individually: Warren Lee Lewis, Leonard D. Vines, Jan S. Gilbert, Christian Thompson, Kenneth R. Costello, Christine E. Connelly, Maral Kilejian, Joseph J. Fittante, Alan Schechter, Nicole Zellweger, Joel R. Buckberg, W. Michael Garner, and Darci E. Cohen. All of them gave willingly and generously of their time, expertise, and experience in creating a valuable resource for their fellow practitioners.

This Third Edition introduces a new feature, The Franchise Rule Toolkit, authored by Kenneth R. Costello, Christine E. Connelly, and Maral Kilejian as an adjunct to their chapter on the FTC Rule Disclosure Items. The Toolkit is a convenient and very utilitarian item-by-item compilation of the FTC Rule, the Statement of Basis and Purpose, the FTC Rule Compliance Guide, the 2009 NASAA Commentary, the 2016 NASAA Multi-Unit Commentary, and the 2017 NASAA Commentary on Financial Performance Representations. We hope you find it useful.

On behalf of the membership of the ABA Forum on Franchising, I convey our deepest gratitude to all members of the terrific team for this essential publication.

Eric H. Karp
Chair, ABA Forum on Franchising
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