

2860.2400 MATERIAL EVENT OR CHANGE.

"Material event" or "material change" shall include, but not be limited to, the following:

A. the termination, closing, or failure to renew by the franchisor during any consecutive three-month period after registration of ten percent of all franchises of the franchisor, regardless of location, or ten percent of the franchises of the franchisor located in the state of Minnesota;

B. any change in control, corporate name, or state of incorporation, or reorganization of the franchisor;

C. the purchase by the franchisor during any consecutive three-month period after registration of ten percent of its existing franchises, regardless of location, or ten percent of its existing franchises in the state of Minnesota;

D. the commencement of any new product, service, or model line involving, directly or indirectly, an additional investment in excess of 20 percent of the current average investment made by all franchises or the discontinuation or modification of the marketing plan or marketing system of any product or service of the franchisor where the average total sales from such product or service exceed 20 percent of the average gross sales of the existing franchisees on an annual basis;

E. any change in the franchise fees charged by the franchisor; or

F. any significant change in:

(1) the obligations of the franchisee to purchase items from the franchisor or its designated sources;

(2) the limitations or restrictions on the goods or services which the franchisee may offer to a customer;

(3) the obligations to be performed by the franchisor; or

(4) the franchise contract or agreement, including all amendments thereto.

Statutory Authority: *MS s 80C.18*

History: *17 SR 1279*

Published Electronically: *September 14, 2007*