CONCISE EXPLANATORY STATEMENT

Franchise Regulation

The Department of Business Regulation ("Department") hereby adopts this Franchise Regulation effective December 23, 2011 and makes this statement in accordance with R.I. Gen. Laws § 42-35-2.3. The Department makes these amendments in order to provide that all registrations and exemptions expire one year after issuance and renew on an annual cycle. The regulation also establishes a Fractional Franchise as a new category of exemption.

There are two differences between the text of the proposed rule as published in accordance with R.I. Gen. Laws § 42-35-3 and the rule as adopted. Those differences are:

1. Section 5(1) has been changed as follows:


2. Section 5(2)(d) has been changed as follows:

The volume of the business generated by the franchised business parties anticipate that the revenue from the franchise will not exceed twenty percent (20%) of the franchisee’s primary business operation in the first year;