

**INDIANA SECRETARY OF STATE
SECURITIES DIVISION**

IN THE MATTER OF:)
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FRANCHISE WAIVER) 06-0024 AO
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ADMINISTRATIVE ORDER

The Indiana Secretary of State and the Securities Commissioner have determined that it is appropriate and in the public interest to issue an Administrative Order regarding a complete waiver of the thirty (30) day renewal period filing deadline for franchises.

Statutory Context

Section 23-2-2.5-18 of the Indiana Franchise Act (“Act”) provides that any franchise desiring to renew its registration to sell franchises in Indiana must submit its renewal application no later than thirty (30) days prior to the expiration date of the registration. The section also allows the Commissioner to waive that thirty (30) day period, changing the date the renewal is due to the date the franchise registration is set to expire.

Background

Prior to 2001, the Indiana Securities Division (“Division”) performed a merit review of all franchise registrations and renewals. Understandably, these reviews necessitated a significant time commitment from the employees of the Division due to the large number of franchise registrations and renewals that are filed in Indiana each year.¹ Because of the amount of time required for a merit review of renewal applications, renewals were required to be filed thirty (30) days before the franchise was due to expire so that the Division could thoroughly examine the application. In 2001, Indiana amended the Act to become a notice filing state for franchise registrations, and all initial registrations became effective upon receipt while renewals continued to become effective when the old registrations expired. Even though the Division no longer performed merit reviews, the thirty (30) day prior to expiration deadline remained in the Act. In July 2006, the Act will be amended to remove that thirty (30) day renewal period since it is no longer necessary, and franchise renewal applications will be due before the previous registration is set to expire. Because of the amendments to the Act, the Commissioner has determined that it is appropriate to grant a waiver of the thirty (30) day renewal filing period for all franchises.

¹ There were 776 franchise registration and renewal applications in 1999, and there were 821 applications in 2000.

IT IS THEREFORE ORDERED that:

All franchises are granted a waiver under Ind. Code §23-2-2.5-18 of the requirement to file a renewal no later than thirty (30) days prior to the expiration of the registration. Franchise renewal applications must be filed before the date the previous registration is set to expire for the registration to continue uninterrupted.

DATED at Indianapolis, Indiana, this 10th day of March, 2006.

TODD ROKITA
SECRETARY OF STATE


O. WAYNE DAVIS
SECURITIES COMMISSIONER