STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

ORDER

In the Matter of
the State Cover Sheet Requirement for
Franchise Disclosure Documents

Whereas, Minnesota Statutes § 80C.04, subd. 1 provides the application requirements for a franchise registration through a public offering statement, including: “(u) such other information as the commissioner may require.”

Whereas, Minnesota Statutes § 80C.06, subd. 2 states that, “in addition to the information required by section 80C.04 to be included in the public offering statement, the commissioner may by rule or order require . . . the filing with the commissioner of such other information or documents as are necessary or appropriate in the public interest or for the protection of prospective franchisees or subfranchisors and may require that such additional information or documents be furnished to prospective franchisees or subfranchisors as part of the public offering statement.”

Whereas, Minnesota Statutes § 80C.06 subd. 4. provides that “[t]he commissioner may by rule or order deem to be in full or partial compliance with this section or section 80C.04, any public offering or similar statement which complies with the requirements of any federal law or administrative rule or of the law of any other state requiring substantially the same disclosure of information as is required under sections 80C.01 to 80C.22.”

Whereas, Minnesota Rule 2860.3800 states that “[t]he commissioner may accept as application for registration . . . any currently effective public offering statement prepared for compliance with the registration provisions of the franchise laws of other jurisdictions as the commissioner may, from time to time, designate. The commissioner reserves the right to require alterations in such statements as necessary to fulfill the requirements of Minnesota Statutes 1973 Supplement, chapter 80C. The commissioner may accept as application for registration the Uniform Franchise Registration Application adopted by the North American Securities Administrators Association; however, the commissioner reserves the right to require alternations in the Uniform Franchise Offering Circular as necessary.”

Whereas, Minnesota Rule 2860.3300 further sets forth the requirements for the content and format of the outside front cover of the public offering statement, which is commonly referred to as the Franchise Disclosure Document.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The public offering statement, otherwise known as the Franchise Disclosure Document, shall include three (3) “State Cover Sheets” and one (1) “State Effective Dates Page”
in accordance with the requirements of Part III B of the North American Securities Administrators Association, Inc. ("NASAA") 2008 Franchise Registration and Disclosure Guidelines, as adopted in 2019.

2. The State Cover Sheets and Effective Dates page must include the following separate pages:

a. “How to Use this Franchise Disclosure Document;”

b. "What you Need to Know About Franchising Generally;" and

c. "Special Risks to Consider About This Franchise."

3. The “State Effective Dates Page” shall be a separate document that includes the date that a franchise registration is made effective in Minnesota.

4. A copy of the State Cover Sheets and State Effective Dates Page requirements, including instructions to franchisors; a sample State Cover Sheet; and a sample State Effective Dates Page are attached hereto as Exhibit A.

This Order shall become effective on January 1, 2020, and will remain in effect until modified or rescinded by the Commissioner.

Dated: 11-22-2019

STEVE KELLEY
Commissioner

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