

(E) A "FRANCHISEE" IS A PERSON TO WHOM A FRANCHISE OR DISTRIBUTORSHIP IS GRANTED. REFERENCE IN THIS SUBTITLE TO "FRANCHISEE" INCLUDES DISTRIBUTEE.

(F) A "FRANCHISOR" IS A PERSON WHO GRANTS A FRANCHISE.

(G) "AREA FRANCHISE" MEANS ANY CONTRACT OR AGREEMENT BETWEEN A FRANCHISOR AND A SUBFRANCHISOR WHEREBY THE SUBFRANCHISOR IS GRANTED THE RIGHT, FOR CONSIDERATION GIVEN IN WHOLE OR IN PART FOR THIS RIGHT, TO SELL OR NEGOTIATE THE SALE OF FRANCHISES IN THE NAME OR ON BEHALF OF THE FRANCHISOR.

(H) "FRANCHISE", UNLESS SPECIFICALLY STATED OTHERWISE, INCLUDES AREA FRANCHISE.

(I) A "SUBFRANCHISOR" IS A PERSON TO WHOM AN AREA FRANCHISE OR DISTRIBUTORSHIP IS GRANTED.

(J) "FRANCHISE FEE" MEANS ANY FEE OR CHARGE THAT A FRANCHISEE OR SUBFRANCHISOR IS REQUIRED TO PAY OR AGREES TO PAY FOR THE RIGHT TO ENTER INTO A BUSINESS UNDER A FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY PAYMENT FOR GOODS AND SERVICES. HOWEVER, THE FOLLOWING ARE NOT TO BE CONSIDERED THE PAYMENT OF A FRANCHISE FEE:

(1) THE PURCHASE OR AGREEMENT TO PURCHASE GOODS AT A BONA FIDE WHOLESALE PRICE; OR

(2) THE PAYMENT OF A REASONABLE SERVICE CHARGE TO THE ISSUER OF A CREDIT CARD BY AN ESTABLISHMENT ACCEPTING OR HONORING THE CREDIT CARD;

(3) AMOUNTS PAID TO A TRADING STAMP COMPANY LICENSED IN THIS STATE BY A PERSON ISSUING TRADING STAMPS IN CONNECTION WITH THE RETAIL SALE OF MERCHANDISE OR SERVICE;

(4) THE PURCHASE OF GOODS OR AGREEMENT TO PURCHASE GOODS ON CONSIGNMENT, IF THE PROCEEDS REMITTED BY THE FRANCHISEE FROM THE SALE REFLECT ONLY THE BONA FIDE WHOLESALE PRICE OF THE GOODS;

(5) THE REPAYMENT BY THE FRANCHISEE OF A BONA FIDE LOAN MADE TO THE FRANCHISEE FROM THE FRANCHISOR;

(6) THE PURCHASE OF GOODS OR AGREEMENT TO PURCHASE GOODS AT A BONA FIDE RETAIL PRICE SUBJECT TO A BONA FIDE COMMISSION OR COMPENSATION PLAN THAT IN SUBSTANCE REFLECTS ONLY A BONA FIDE WHOLESALE TRANSACTION;

(7) THE PURCHASE, AT THEIR FAIR MARKET VALUE, OF SUPPLIES OR FIXTURES, OR AGREEMENT TO PURCHASE SUPPLIES OR FIXTURES, NECESSARY TO ENTER INTO THE