

CHAPTER 635

(House Bill 1225)

AN ACT concerning

Franchises - Registration, Disclosure, and
Prohibited Practices

FOR the purpose of altering the applicability of certain provisions of Article 56 "Licenses" relating to franchises to include an offer to sell, or acceptance of an offer to sell a franchise made in this State; prohibiting certain fraudulent acts in connection with the offer or sale of any franchise in this State; allowing the Securities Commissioner to summarily issue a stop order denying the effectiveness of, or suspend, or revoke a franchise registration for certain errors in a prospectus, certain deceptive practices or a franchisor's failure to comply with certain rules and regulations of the Commissioner; altering the time in which a registration of an offer of franchise automatically becomes effective following proper application for registration; requiring a franchisor to provide a franchisee with certain information regarding the franchise within a certain period of time prior to sale; allowing the Securities Commissioner to take certain actions against certain persons who have engaged, or are about to engage in any act or practice which violates Article 56, Sections 345 through 365, inclusive, or any rule, regulation, or order promulgated under this subtitle; allowing the Securities Commissioner to make and enforce certain rules and regulations, engage in public or private investigations, require or permit certain persons to file written statements under oath in certain investigations, and to publish information concerning this subtitle; imposing certain civil and criminal liability on certain persons for acts done in connection with the offer or sale of a franchise and providing for the enforcement of the liability created; and relating generally to the offer or sale of a franchise in the State of Maryland.

BY repealing and reenacting, with amendments,

Article 56 - Licenses
Section 345(m), 347, 353, 354, 357, 359, and 363
Annotated Code of Maryland
(1979 Replacement Volume)

BY repealing

Article 56 - Licenses
Section 364 and 365