

(1) [the offer to sell or sale of a franchise by a franchisee for the franchisee's account, or the offer to sell or sale of the entire area franchise owned by a subfranchisor for the subfranchisor's account, even if the proposed transferee is subject to the franchisor's approval;

(2) a transaction by an executor, administrator, sheriff, receiver, trustee in bankruptcy, guardian, or conservator;

[(3)](2) an offer to sell or sale of a franchise that is substantially similar to a franchise already owned by the offeree or buyer; and

[(4)](3) any other transaction that the Commissioner exempts by regulation because:

(I) the transaction[: (i)] is not within the purpose of this subtitle; and

(ii) [need not be registered to protect the public] THE REGISTRATION OF THE TRANSACTION IS NOT NECESSARY OR APPROPRIATE IN THE PUBLIC INTEREST OR FOR THE PROTECTION OF INVESTORS.

(c) (1) THE REGISTRATION REQUIREMENT OF THIS SECTION DOES NOT APPLY TO THE OFFER TO SELL OR SALE OF A FRANCHISE BY A FRANCHISEE FOR THE FRANCHISEE'S OWN ACCOUNT, OR THE OFFER TO SELL OR SALE OF THE ENTIRE AREA FRANCHISE OWNED BY A SUBFRANCHISOR FOR THE SUBFRANCHISOR'S OWN ACCOUNT.

(2) A SALE IS NOT EFFECTED BY OR THROUGH A FRANCHISOR MERELY BECAUSE A FRANCHISOR HAS A RIGHT TO APPROVE OR DISAPPROVE A DIFFERENT FRANCHISEE.

(D) (1) The Commissioner may require by regulation that a franchisor or subfranchisor who claims under subsection [(b)(4)] (B)(3) of this section to be exempt from the registration requirements of this section:

(i) [submit to] FILE WITH the Commissioner a notice of claim of exemption in the form that the Commissioner requires; and

(ii) pay a fee of \$250.

(2) The franchisor or subfranchisor shall sign and verify the notice of claim of exemption.

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(a) Except as otherwise provided in this section, an applicant for registration shall:

(1) [submit to] FILE WITH the Commissioner:

(i) an application in the form that the Commissioner requires; and

(ii) [an offering] A prospectus for the franchise; and