(2) PROHIBIT THE SALE OF FRANCHISES IF THE SALE WOULD LEAD TO FRAUD OR A LIKELIHOOD THAT THE FRANCHISOR'S REPRESENTATIONS WOULD NOT BE FULFILLED; AND

(3) PROTECT THE FRANCHISOR-FRANCHISEE RELATIONSHIP.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 56, § 346.

In subsection (a)(1) of this section, the former reference to franchises being "a relatively new form of business" is deleted as obsolete.

Defined terms: "Franchise" § 14-201
"Franchisee" § 14-201
"Franchisor" § 14-201

14-203. SCOPE OF SUBTITLE.

(A) IN GENERAL.

THIS SUBTITLE APPLIES TO AN OFFER TO SELL OR SALE OF A FRANCHISE IF:

(1) THE FRANCHISEE MUST PAY A FRANCHISE FEE OF MORE THAN $100; AND

(2) (I) THE OFFEREE OR FRANCHISEE IS A RESIDENT OF THE STATE;

(II) THE FRANCHISED BUSINESS WILL BE OR IS OPERATED IN THE STATE;

(III) THE OFFER TO SELL IS MADE IN THE STATE; OR

(IV) THE OFFER TO BUY IS ACCEPTED IN THE STATE.

(B) OFFER TO SELL MADE IN STATE; OFFER TO BUY ACCEPTED IN STATE.

(1) FOR PURPOSES OF THIS SECTION, AN OFFER TO SELL IS MADE IN THE STATE IF THE OFFER:

(I) ORIGINATES FROM THE STATE; OR

(II) IS DIRECTED BY THE OFFEROR TO THE STATE AND IS RECEIVED AT THE PLACE TO WHICH IT IS DIRECTED.

(2) FOR PURPOSES OF THIS SECTION, AN OFFER TO SELL IS NOT MADE IN THE STATE IF THE OFFER IS MADE IN AN ADVERTISEMENT IN:

(I) A NEWSPAPER OR OTHER PUBLICATION OF GENERAL, REGULAR, AND PAID CIRCULATION THAT HAS HAD TWO-THIRDS OF ITS CIRCULATION OUTSIDE THE STATE DURING THE PAST 12 MONTHS; OR