



March 8, 2010

The Honorable Dana M. Stein
Maryland House of Delegates
House Office Building, Room 304
Six Bladen Street
Annapolis, MD 21401

Dear Delegate Stein:

On behalf of the International Franchise Association (IFA), I want to thank you for filing House Bill 1202. This bill will harmonize Maryland law with recent changes in federal franchise regulations and help to foster a better environment for business in your state.

IFA is the world's oldest and largest organization representing franchising with a growing membership of more than 1,300 franchise systems, 10,000-plus franchisees and more than 500 firms that supply goods and services to the industry. According to a 2008 study by PricewaterhouseCoopers, there are more than 900,000 franchise establishments in the U.S. that are responsible for creating 21 million American jobs and generating an annual economic output of \$2.3 trillion. In Maryland alone there are over 15,000 franchised businesses employing 206,000 workers and contributing \$17.7 billion in economic output.

After more than a decade of careful review, the Federal Trade Commission released a revised Franchise Rule in 2007 to modernize the federal rules governing the offer of franchise agreements. The FTC now requires fourteen calendar days for review of a disclosure document, rather than ten business days or upon the first personal meeting of the two parties. Maryland law, however, retains the outdated first personal meeting standard. House Bill 1202 wisely eliminates this unnecessary difference between the state and federal rules, and this bill will provide more clarity to Marylanders who are considering the purchase of a franchise.

Again, IFA strongly supports your measure to modernize the franchise regulations in Maryland and looks forward to assisting you with its passage. Please contact me if I can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Troy Flanagan', is written over a white background.

M. Troy Flanagan
Director, Government Relations