

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Business Registration Division
335 Merchant Street, Room 203, Honolulu, Hawaii 96813
(808) 586-2722

**ATTACHMENT TO APPLICATION FOR FILING OF FRANCHISE OFFERING CIRCULAR
(Information required by the Act together with information prescribed by the Director)**

The following information shall be contained in the offering circular:

5. Identity and business experience of persons affiliated with the franchisor. List by name and position held, the directors, trustees and/or general partners, as the case may be, and the principal officers (*including the chief executive, and chief operating officer, financial, franchise marketing, training and service officers*) and other executives or subfranchisors who will have management responsibility in connection with the operation of the franchisor's business relating to the franchises offered by this offering circular. With regard to each person listed, state their principal occupations and employers during the past five years.
6. Information on franchisor and persons affiliated with franchisor. A statement stating whether any person identified in question 5 above has within 10 years:
 - A. Been found guilty of a felony or held liable in a civil action by final judgement if the civil action involved a fraud, embezzlement, fraudulent conversion, or misappropriation of property; or
 - B. Is subject to any currently effective order of the Securities and Exchange Commission or the securities administrator of any state denying registration to or revoking or suspending the registration of such person as a securities broker or dealer or investment advisor or is subject to any currently effective order of any national security association or national securities exchanges (*as defined in the Securities and Exchange Act of 1934*) suspending or expelling such person from membership of such association or exchange; or
 - C. Is subject to any currently effective order or ruling of the Federal Trade Commission or is subject to any currently effective order relating to business activity as a result of an action brought by any public agency or department. Such statement shall set forth the court, the date of conviction or judgement, any penalty imposed or damages assessed, or the date, nature and issue of such order.
7. A statement of when, where, and how long the franchisor has:
 - A. Conducted a business of the type to be operated by the franchisees;
 - B. Has granted franchises for such business; and
 - C. Has granted franchises in other lines of business.
8. Attach financial statements of the franchisor as prescribed by Rule 2.1.C or the Rules and Regulations.
9. A copy of the typical franchise contract or agreement proposed for use in this state.
10. A statement of the franchise fee charged, the proposed application of the proceeds of the fee by the franchisor, and the formula by which the amount of the fee is determined if the fee is not the same in all cases.
11. A statement describing a payment of fees other than franchise fees that the franchisee or subfranchisor is required to pay to the franchisor including royalties and payments or fees which the franchisor collects in whole or in part on behalf of a third party or parties.
12. A statement of the conditions under which the franchise agreement may be terminated or renewed or renewal refused, or repurchased at the option of the franchisor.
13. A statement of the conditions under which the franchise may be sold, transferred, or assigned.
14. A statement of the conditions imposed by the franchisor whether by the terms of the franchise agreement or by other device or practice whereby the franchisee or subfranchisor is required to purchase services, supplies, products, fixtures, or other goods relating to the establishment or operation of the franchise business from the franchisor or his designee.

15. A statement of any restriction or condition imposed by the franchisor whether by the terms of the franchise agreement or by other device or practice whereby the franchisee is limited or required in the goods and services offered by him.
16. A statement of the terms and conditions of any financing arrangements when offered directly or indirectly by the franchisor or his agent or affiliate.
17. A statement of any intent of the franchisor to sell, assign, or discount to a third party any note, contract, or other obligation of the franchisee in whole or in part.
18. A copy of any financial statement prepared for presentation to prospective franchisees or other persons together with a statement setting forth the basis for such statements.
19. A statement of the number of franchise businesses in each of the following categories which within the three-year period preceding the date of the offering circular have:
 - A. Been canceled or terminated by either the franchisor or franchisee;
 - B. Not been renewed by either the franchisor or franchisee;
 - C. Been reacquired through purchase by the franchisor;
 - D. Been otherwise reacquired by the franchisor; and
 - E. Been transferred or sold by the franchisee to persons other than a corporation or other business entity controlled by the transferring or selling franchisee.
20. A statement describing the training program, supervision, and assistance the franchisor has and will provide the franchisee.
21. A statement as to whether franchisees or subfranchisors receive an exclusive area or territory.
22. A statement of any compensation or other benefit given or promised to a public figure arising, in whole or in part, from (A) the use of the public figure in the name or symbol of the franchise or (B) the endorsement or recommendation of the franchise by the public figure in advertisements.
23. Registration of franchises in other states. List the following:
 - A. The states in which this filing is effective.
 - B. The states in which this filing is or will be shortly on file.
 - C. The states, if any, which have refused, by order or otherwise, to register these franchises.
 - D. The states, if any, which have revoked or suspended the right to offer these franchises.
 - E. The states, if any, in which the filing of these franchises has been withdrawn.
24. Other franchises sold. *(Describe in summary form the number of franchises presently operating, names, and addresses of such franchises operating in Hawaii.)*
25. Performance by franchisor. Describe succinctly the obligations required to be performed by the franchisor prior to the opening of the franchised business. Indicate whether such obligations must be completed within a specified time period and the right of franchisees, if any, to any refund of fees paid if such obligations are not complete within the prescribed time.
26. When the person selling the franchise is a subfranchisor, the offering circular shall also include the same information concerning the subfranchisor as is required from the franchisor pursuant to this subsection.
27. Attach the Consent to Service of Process if applicant is not a Hawaii corporation.

Notice: Please read Act 242, 1978 session Laws of Hawaii, for requirements as to the issuance and filing of amended offering circulars and the substitution of offering circulars meeting the requirements of Chapter 482E, Hawaii Revised Statutes.

This instruction sheet shall not relieve the franchisor or subfranchisor of his/her obligation to fulfill the requirements of Chapter 482E, Hawaii Revised Statutes, or the rules and regulations promulgated by the Director of the Department of Commerce and Consumer Affairs.