

FRANCHISE SYSTEM MEMBER APPLICATION FORM

Note:

**** Ensure that CFA receives a fully completed and signed application form and all requested materials at least ten (10) business days prior to a membership committee meeting. Information on the application should agree with disclosure documents. Incomplete or late applications cannot be processed.**

SECTION 1 – Applicant, Principals and Affiliates

1. Full Legal Name of Applicant: _____
☐ Corporation ☐ Partnership ☐ Sole Proprietorship

2. Trade Name of Franchise System: _____
 (If the applicant operates more than one franchise system, a separate application is required for each trade name)

3. Head Office Address: _____
 Number Street Suite
 City Province / State / Country Postal / Zip Code
 (____) (____)
 Phone Fax Email Website

What is the website address for franchise information? (If different from your main website) _____

4. Official Designee to CFA: (Who will be the official contact between the applicant and the CFA)

 Name Title
 Relationship to the applicant (if not one of the principals listed above)

 Number Street Suite
 City Province / State Postal / Zip Code Country
 (____) (____)
 Phone Fax Email

5. Has the applicant ever applied for CFA membership before? ☐ No ☐ Yes If yes, date: _____

SECTION 2 – Applicant's Business and History

6. Please describe the nature and history of the applicant's business and of the franchises being offered.

7. Date when the applicant began operation: _____

8. Date when the applicant franchised first unit: _____

9. Current number of corporate units (i.e. owned or operated by the applicant or any affiliate of the applicant or any other related party including principals of the applicant and persons related to them): Canada: _____ United States: _____ Other: _____

10. Current number of franchised units: Canada: _____ United States *: _____ Other: _____ (* Please include FDD, if applicable)

11. Current number of corporate units and franchised units according to Province/Territory:

Province/ Territory	Corporate	Franchised	Province/ Territory	Corporate	Franchised	Province/ Territory	Corporate	Franchised
BC			QC			YT		
AB			NB			NT		
SK			PE			NU		
MB			NS					
ON			NF					

Information below should be based on Canadian Operations. If the information you are providing is based on US Operations, please check here. ☐

12. Current number of people employed by the applicant and its affiliates _____

Current number of people employed by franchises (including franchise owners) _____

13. Does your system have a formal Franchisee Advisory Council in place? ☐Yes ☐No

Does your system have a formal mediation process in place? ☐Yes ☐No

14. Current initial franchise fee: \$_____ (Please report in CDN Dollars)

Current royalty: _____% of gross sales, OR \$_____

Current advertising contribution: _____% of gross sales, OR \$_____

If your royalty/advertising differs from the above structure, please describe: _____

15. Number of NEW corporate units ____ and franchised units ____ in the past two (2) years

16. Closures: (List the total number of corporate units and franchised units which have been closed in the past two (2) years)

Number of Corporate units closed _____

Explanation: _____

Franchises which have been terminated or canceled by the Franchisor _____

Explanation: _____

Franchises which have not been renewed by the Franchisor _____

Explanation: _____

Franchises which have been reacquired by the Franchisor _____

Explanation: _____

Franchises which have otherwise left the system (indicate reasons below) _____

Explanation: _____

(If additional space is required for explanation, please attach a summary.)

SECTION 3 - References

17. Lawyer: _____

Firm name

Contact name

Phone Number

Address

23. Affiliates of Applicant:

Full legal name of affiliate	Relationship to the applicant (e.g. parent or subsidiary)
Business of affiliate (e.g. equipment or inventory supplier, premises lessor, trade-mark owner, holding company, public company)	
Full legal name of affiliate	Relationship to the applicant
Business of affiliate	

24. Gross Annual Sales (for previous fiscal year - total sales of products and services): (Please report in CDN Dollars)

\$		\$	
	Total for corporate units		Total for franchised units
\$		\$	
	Average for corporate units		Average for franchised units

SECTION 6 – Disclosure Information

25. Has the applicant, or any predecessor of the applicant, or any major shareholder (10% or more), director, officer or general partner of the applicant having day to day management responsibilities related to the franchise:

- a) been involved with any franchise system which has failed in the past or had any registration or license in any jurisdiction suspended or canceled? ☐Yes ☐No
- b) been adjudged or voluntarily become bankrupt; reorganized due to insolvency; taken the benefit of any statute for the relief of bankrupt or insolvent debtors; or become subject to any pending bankruptcy, insolvency or reorganization proceeding? ☐Yes ☐No
- c) had any conviction for an indictable offence under the Criminal Code of Canada, arising within the last seven (7) years, which remains outstanding? ☐Yes ☐No

26. Is the applicant, or any predecessor of the applicant, or any major shareholder (10% or more), director, officer or general partner of the applicant having day to day management responsibilities related to the franchise, currently involved in any on-going material litigation relating to the franchise system named in Question 2 above or to any other current or previous franchise system, including but not limited to litigation with present or former franchisees? ☐Yes ☐No

If you answered "yes" to Questions 25 and/or 26, please provide details in an attached schedule.

SECTION 7 - Authorization, Declaration and Acknowledgment

By my signature below:

- a) I represent and warrant to the CFA that I have authority to act on behalf of the applicant.
- b) I declare that the information given on or pursuant to this application is true and complete and not misleading in any way.
- c) On behalf of the applicant, I authorize the CFA to make enquiry of such persons and organizations, including the applicant's franchisees and any other party with which the applicant has business or financial relations, and any credit reporting agency, bank or credit grantor, as the CFA considers reasonably necessary to obtain credit and other information regarding the applicant and the applicant's principals.
- d) I confirm, on behalf of the applicant, that the applicant has read and understood, and endorses and subscribes to, the CFA Code of Ethics including CFA disclosure requirements. I acknowledge, on behalf of the applicant, that any failure of a CFA member to comply with the Code of Ethics may result in suspension of membership privileges or in termination of membership without refund of dues paid.

Signature of Authorized Signing Officer

Name (Please print)

Title

Date

Name of person completing this form (if different from person who signs)

CHECKLIST OF DOCUMENTS NECESSARY FOR COMPLETED APPLICATION

**(Note: Incomplete applications cannot be processed –
please ensure that you have enclosed all of the following documents)**

- ☐ Completed and signed application form
- ☐ Current-dated cheque payable to CFA, or credit card, for first year's dues
- ☐ Complete list of the applicant's franchisees including addresses, phone and fax numbers
- ☐ Applicant's current franchise sales kit or link to the website section for franchise information
- ☐ Applicant's current franchise application form
- ☐ Applicant's current franchise agreement
- ☐ Applicant's current Alberta, Ontario, New Brunswick or PEI disclosure documents or current FDD (US) (Will be returned or destroyed per your instructions to us)
- ☐ For franchisors operating only in provinces without disclosure legislation please provide a document that meets CFA disclosure requirements as outlined in the Mandatory Disclosure Document for CFA Members (Visit http://cfa.ca/About_Us/Disclosure_Documents/)

All documents must be received at least ten (10) business days prior to a meeting of the CFA's Membership Committee or the application will be deferred to the following meeting.

If any of these documents are not forwarded to the CFA with this application, please explain why.

2013 - 2014 MEMBERSHIP DUES SCHEDULE

Effective April 1, 2013. Subject to change without notice.
Please check the appropriate membership category for your company

FRANCHISE SYSTEM MEMBER CATEGORY

Franchise System membership is for companies who are offering franchises in Canada or who are planning to offer franchises in the next 12 months.

Total Canadian Units Corporate & Franchised	Annual Dues	Total Canadian Units Corporate & Franchised	Annual Dues
<input type="checkbox"/> 0-4	\$ 925	<input type="checkbox"/> 76-100	\$ 3,800
<input type="checkbox"/> 5-15	\$ 1,225	<input type="checkbox"/> 101-125	\$ 4,075
<input type="checkbox"/> 16-30	\$ 1,525	<input type="checkbox"/> 126-150	\$ 4,500
<input type="checkbox"/> 31-50	\$ 2,250	<input type="checkbox"/> 151+	\$ 4,825
<input type="checkbox"/> 51-75	\$ 3,325		

FRANCHISE SUPPORT SERVICES/SUPPLIER (FSS/SUPPLIER) MEMBER CATEGORY

Franchise Support Service/Supplier (FSS/Supplier) membership is for a person or company engaged in providing products or services to franchise systems. Applicants that operate other Support Service organizations under the same corporate ownership or operate under different brands within the common ownership may apply for a membership that includes those organizations or brands.

<input type="checkbox"/>	FSS/Supplier Member	\$ 2,175
<input type="checkbox"/>	FSS/Supplier Member with two brands (one additional)	\$ 2,750
<input type="checkbox"/>	FSS/Supplier Member with three brands (two additional)	\$3,325
<input type="checkbox"/>	FSS/Supplier Member more than three brands	CONTACT US

DECLARATION & ACKNOWLEDGEMENT

My signature below acknowledges, on behalf of my organization, that the information given above is true, that the organization I represent endorses and subscribes to the Canadian Franchise Association's Disclosure Document Guide and the CFA Code of Ethics and that any failure to do so may result in suspension of membership privileges or termination of membership without refund of dues paid.

Company Name: _____

Designated Representative: _____ Title: _____

Signature: _____ Date: _____

PAYMENT INFORMATION

ANNUAL DUES (based on membership category above)(add applicable tax, below)			\$
15% HST – Nova Scotia 14.975% HQT – Québec 13% HST – New Brunswick, Newfoundland, Ontario	14% HST - PEI 5% GST – Alberta, British Columbia, Manitoba, Sask., Nunavut, NWT, Yukon	ZERO - Outside of Canada (HST #R122972920)	\$
TOTAL			\$

CHEQUE ATTACHED: ☐ CREDIT CARD: ☐ AMEX ☐ VISA ☐ MasterCard

Card # _____ Exp. Date: _____

Cardholder Name: _____ Signature _____

The Canadian Franchise Association (CFA) is dedicated to encouraging and promoting excellence in franchising in Canada. Each member of the Association, by becoming a member and upon renewing its membership from time to time, agrees to abide by this Code of Ethics and to further the Associations goals in encouraging and promoting ethical franchising in Canada. Each member of the Association agrees to comply with the spirit of this Code of Ethics in its general course of conduct and in carrying out its general policies, standards, practices. The following are considered by the Association to be important elements of ethical franchising practices:

1. Franchise system and a franchise support services member should fully comply with Federal and Provincial laws, and with the policies of the Canadian Franchise Association.
2. A franchisor should provide prospective franchisees with full and accurate written disclosure of all material facts and information pertaining to the matters required to be disclosed in advance to prospective franchisees about the franchise system a reasonable time [at least fourteen (14) days] prior to the franchisee executing any binding agreement relating to the award of the franchise.
3. All matters material to the franchise relationship should be contained in one or more written agreements, which should clearly set forth the terms of the relationship and the respective rights and obligations of the parties.
4. A franchisor should select and accept only those franchisees who, upon reasonable investigation, appear to possess the basic skills, education, personal qualities and financial resources adequate to perform and fulfil the needs and requirements of the franchise. Franchise systems and franchise support services members of the Association should not discriminate based on race, colour, religion, national origin, disability, age, gender or any other factors prohibited by law.
5. A franchisor should provide reasonable guidance, training, support and supervision over the business activities of franchisees for the purposes of safeguarding the public interest and the ethical image of franchising, and of maintaining the integrity of the franchise system for the benefit of all parties having an interest in it.
6. Fairness should characterize all dealings between a franchisor and its franchisees. Where reasonably appropriate under the circumstances, a franchisor should give notice to its franchisees of any contractual default and grant the franchisee reasonable opportunity to remedy the default.
7. A franchisor and its franchisees should make reasonable efforts to resolve complaints, grievances and disputes with each other through fair and reasonable direct communication, and where reasonably appropriate under the circumstances, mediation or other alternative dispute resolution mechanisms.
8. A franchisor and a franchise support services member should encourage prospective franchisees to seek legal, financial and business advice prior to signing the franchise agreement.
9. A franchisor should encourage prospective franchisees to contact existing franchisees to gain a better understanding of the requirements and benefits of the franchise.
10. A franchisor should encourage open dialogue with franchisees through franchise advisory councils and other communication mechanisms. A franchisor should not prohibit a franchisee from forming, joining or participating in any franchisee association, or penalize a franchisee who does so.
11. A franchise support services member in providing products or services to a franchisor or franchisee should encourage the franchises to comply with the spirit of this Code of Ethics. A franchise support services member should not offer or provide products or services if legislative or professional qualification is required to do so unless the franchise support services member has such qualification.