

the 5-year period immediately preceding the offer or sale; or b. has conducted business which is the subject of the franchise continuously for not less than 5 years preceding the offer or sale.

4. The franchisor discloses in writing the information required under s. SEC 32.01 (3) to each prospective franchisee at least 10 business days prior to the execution by the prospective franchisee of any binding franchise or other agreement or at least 10 business days prior to the receipt of any consideration, whichever first occurs.

5. There is filed, by or on behalf of the franchisor, at least 10 business days prior to the offer of a franchise in this state, a notice of the proposed offer or sale, including any prospectus, circular or other material to be delivered to prospective franchisees and other information the commissioner may require, and the commissioner does not by order withdraw, deny or revoke the exemption within 10 business days.

(d) Any offer to sell or sale of a franchise to any of the following:

1. The franchisor of the franchise;

2. A bank, trust company, credit union or savings and loan association purchasing a franchise for its own account.

(2) Unless otherwise specified, nothing in this rule shall prevent the commissioner from exercising his authority under s. 553.28 (1) (a), (b), (c), (e), (f) or (h), Stats.

History: Cr. Register, October, 1972, No. 202, eff. 11-1-72; renum. from SEC 32.06, Register, December, 1980, No. 300, eff. 1-1-81; am. (1) (intro.), Register, December, 1981, No. 312, eff. 1-1-82; am. (1) (a) and (2), Register, December, 1984, No. 348, eff. 1-1-85; am. (1) (b), r. and recr. (1) (c), cr. (1) (d), Register, December, 1985, No. 360, eff. 1-1-86.

SEC 32.06 Form of application. (1) All applications for registration of an offer to sell or sale of a franchise, all registration renewal statements and all applications to amend the registration statement shall be filed upon the uniform franchise registration application adopted in September, 1975 by the Midwest Securities Commissioners Association and adopted in April, 1980 by the North American Securities Administrators Association.

(2) In determining whether an applicant has complied with the requirements of the uniform franchise registration application, the commissioner shall follow the Guidelines for Preparation of the Uniform Franchise Offering Circular and Related Documents adopted in October, 1977 by the Midwest Securities Commissioners Association and in April, 1980 by the North American Securities Administrators Association. Copies of the Guidelines are available from the commissioner's office for a prepaid fee of \$10.

History: Cr. Register, December, 1980, No. 300, eff. 1-1-81.

SEC 32.07 Renewal or amendment of registration statements. (1) A registration renewal statement under s. 553.30, Stats., shall be filed on a form prescribed by the commissioner not less than 15 business days prior to the end of one year from the effective date of the registration statement, and shall be accompanied by the latest form of prospectus or offering circular, meeting the requirements of s. SEC 32.06, used in connection with the sale of the registered franchises together with a balance sheet of the franchisor as of a date within 120 days of the proposed renewal date and an income statement and analysis of surplus of the

franchisor for its last fiscal year preceding the date of the balance sheet and for the period between the close of the franchisor's last fiscal year and the date of the balance sheet, all meeting the requirements of s. SEC 35.05. If no stop order or other order under s. 553.28, Stats., is in effect, renewal of the registration statement becomes effective on the day on which the prior registration statement expires or at an earlier time as the commissioner determines.

(2) An application to amend a registration statement under s. 553.31, Stats., shall be filed on a form prescribed by the commissioner at any time during the effectiveness of a registration statement under s. 553.29, Stats. The commissioner may take, upon such filing, action appropriate in the public interest or for the protection of investors under s. 553.26 (20) or 553.28, Stats. The registration statement or registration renewal statement filed with the commissioner remains in effect while an application to amend such registration statement or registration renewal statement is being reviewed by the commissioner. If the commissioner does not require additional information under s. 553.26 (20), Stats., or if no stop order or other order under s. 553.28, Stats., is in effect, the amendment to the registration statement or registration renewal statement becomes effective 15 business days after receipt by the commissioner of the application to amend the registration statement or registration renewal statement or at an earlier time determined by the commissioner. In the case of an application for registration or a registration renewal statement, the effective date of the original application for registration or, as the case may be, registration renewal statement shall remain the date from which time is measured for purposes of renewal of registration statements under s. SEC 32.07, and the filing of periodic reports under s. SEC 32.08.

(3) In the absence of the filing of a registration renewal statement under s. 553.30, Stats., or of an application to amend a registration statement under s. 553.31, Stats., the commissioner may by order extend the offering period of a registration statement subject to conditions the commissioner prescribes for the protection of investors.

History: Cr. Register, October, 1972, No. 202, eff. 11-1-72; renum. from SEC 32.08 and am. Register, December, 1980, No. 300, eff. 1-1-81.

SEC 32.08 Periodic reports for franchisors or franchise registrants. (1) Each franchisor or registrant of franchises under s. 553.29 (2), Stats., shall file with the commissioner quarterly commencing 90 days after the effective date of its registration statement any reports required by order, on a form prescribed by the commissioner, specifying the number of franchises sold in the state pursuant to the registration statement, the selling prices of each of the franchises, and graphic representations of the exclusive areas, if any, sold to the franchisees.

(2) Each franchisor or registrant of franchises under s. 553.29 (2), Stats., shall file with the commissioner any additional reports of sales of franchises and financial statements required by order, and shall furnish the commissioner, pursuant to s. 553.31 (1), Stats., with written notice within 30 days after the happening of any material event or material change affecting the franchisor or the franchises registered.

History: Cr. Register, October, 1972, No. 202, eff. 11-1-72; renum. from SEC 32.09 and am., Register, December, 1980, No. 300, eff. 1-1-81.

Register, December, 1985, No. 360