

THE COMMISSIONER OF CORPORATIONS HEREBY ADOPTS
THE FOLLOWING CHANGES IN THE REGULATIONS UNDER THE
FRANCHISE INVESTMENT LAW
AS SET FORTH IN CHAPTER 3, TITLE 10,
CALIFORNIA CODE OF REGULATIONS
EFFECTIVE: January 25, 2001

1. Adopt Section 310.100.3 to read:

310.100.3. (a) There is hereby exempted from the provisions of Section 31110 of the Code as not being comprehended within the purposes of the Franchise Investment Law and the registration of which is not necessary or appropriate in the public interest or for the protection of investors, any communication made through the Internet, World Wide Web, or any other similar proprietary or common carrier electronic delivery system, of an offer to sell a franchise (“Internet Offer”), provided:

(1) The Internet Offer indicates, directly or indirectly, that the franchise is not being offered to the residents of the State of California;

(2) The Internet Offer is not otherwise directed to any person in California by or on behalf of the franchisor or anyone acting with the franchisor’s knowledge;

(3) No franchises are sold in California by or on behalf of the franchisor until the offering has been registered under the Franchise Investment Law and declared effective, and the Uniform Franchise Offering Circular (UFOC) has been delivered to the offeree before the sale and in compliance with the Franchise Investment Law.

(b) Reliance on an exemption from registration under this rule does not preclude a franchisor from relying on any other exemption provided under the Franchise Investment Law or the rules promulgated thereunder.

Note: Authority cited: Section 31100, Corporations Code. Reference cited: Section 31013, Corporations Code.

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