2016/2017 FRANCHISE SYSTEM MEMBERSHIP APPLICATION

Franchise System membership is for companies who are offering franchises in Canada or who are planning to offer franchises in the next 12 months. Please answer ALL questions and check (✓) the Signature Box to sign the form once you have completed the application form. All dollars are in Canadian Funds.

*❑ I give my consent for this information to be published in my listing in print and online directories.

NOTE: If additional space is required for any response, please attach a separate page.

SECTION 1: APPLICANT INFORMATION

Full Legal Company Name: _____ ❑ Has the right to all of Canada

Trade/Brand Name: _____

Head Office Street Address: _____

City:_____ **Prov/State/Country:**_____**Postal/Zip:** _____

E-mail: _____ **Phone:** _____ **Fax:** _____

Website: _____**Website for franchise info:** _____

Has the applicant previously held CFA membership? ❑ Yes ❑ No **If "yes", when?:** _____

Voting Member Contact

The Voting Member Contact is the primary contact for membership renewals, member surveys, invitations to programs such as the Awards of Excellence, or major membership matters. This contact holds the vote for membership on matters affecting governance, and would also be entitled to take advantage of (or assign) the complimentary CFA National Convention registration we provide to new approved members in their first year.

Contact Name: _____**Title:** _____

Phone: _____ **Ext.**_____ **Alt. Phone:** _____

E-mail: _____

If different from above, please provide:

Office Address: _____

City:_____ **Prov/State/Country:**_____**Postal/Zip:** _____

Administrative Contact

The Administrative Member Contact is the individual who is authorized by the Voting Member Contact to interact with CFA and serve as a liaison between the Voting Member Contact and the Association. This contact will be the primary contact to receive e-communications, newsletters, and bulletins on behalf of the member.

❑ Same as Voting Member Contact

Contact Name: _____**Title:** _____

Phone: _____ **Ext.**_____ **Alt. Phone:** _____

E-mail: _____

If different from above, please provide:

Office Address: _____

City:_____ **Prov/State/Country:**_____**Postal/Zip:** _____

*Franchise Sales Contact

CFA members receive a complimentary listing for one brand on LookforaFranchise.ca and in the annual FranchiseCanada print directory. Please tell us who should be listed in this public listing.

❑ Same as Voting Member Contact

Contact Name: _____Title: _____

Phone: _____ Ext._____ Alt. Phone: _____

E-mail: _____

If different from above, please provide:

Office Address: _____

City:_____ Prov/State/Country:_____Postal/Zip: _____

*SECTION 2: BUSINESS & HISTORY INFORMATION

Please provide a brief description of your franchise concept: *(Note: Attach any sales/promotional material, if applicable)*

❑Use this description for my listing on LookforaFranchise.ca and the annual *FranchiseCanada* print directory

❑Use separate promotional description attached. (500 characters max., including spaces and punctuation)

*Please select ONE of the following categories that best describes your concept.

❑Advertising/Marketing/Promotional Products & Services
❑Accounting/Tax Services
❑Automotive & Truck Service/Products/Rentals
❑Beauty/Cosmetics/Supplies
❑Business - Supplies/Equipment & Services
❑Business Consultants/Services/Training
❑Children's Products & Services
❑Commercial - Janitorial Services
❑Commercial - Supplies/Equipment & Services
❑Commercial/Residential Services
❑Computer/Software/Internet
❑Consumer Buying Services
❑Dry Cleaning/Clothing Care
❑Educational Products & Services
❑Employment/Personnel Services
❑Environmental Products and Services
❑Event Planning
❑Financial/Cash Services
❑Food - Baked Goods/Coffee/Donuts
❑Food - Grocery/Specialty Shops
❑Food - Meal Assembly
❑Food - Quick Service Restaurants
❑Food - Restaurants/Dining Rooms
❑Hair & Nail Salons / Spas
❑Health/Fitness/Nutrition
❑Home - Decorations/Furnishings
❑Home - Improvement/Renovation/Restoration
❑Home - Inspection Services
❑Home - Maid/Cleaning Services
❑Home Based Businesses
❑Hospitality Products/Services
❑Hotels/Motels/Campgrounds
❑Janitorial & Maid Services
❑Lawn & Garden Supplies/Services
❑Mobile Businesses
❑Pets - Sales/Supplies/Services
❑Printing/Copying/Shipping
❑Real Estate
❑Retail
❑Seniors/Home Care & Services
❑Sign Products & Services
❑Sports/Recreation/Entertainment
❑Tanning Salons
❑Travel
❑Weight Loss Services/Body Contouring
❑Wine Making
❑Other

***Date when the brand began operation: _____**

***Date when the brand began franchising: _____**

***Franchised Units** (Please indicate the current number of Franchised Units according to province/territory)

Canada:

BC	AB	SK	MB	ON	NB	PEI	NS	NFLD	YT	NT	NU

Total U.S.: _____ **Total International:** _____

***Corporate Units** (Please indicate the current number of Corporate Units according to province/territory)

Canada:

BC	AB	SK	MB	ON	NB	PEI	NS	NFLD	YT	NT	NU

Total U.S.: _____ **Total International:** _____

SECTION 3: OPERATIONS

Please answer the following:

1. What is the current number of people employed by the applicant franchisor's headquarters, corporate locations, and its affiliated brands in Canada? _____
2. On average, how many people are employed at a typical franchised location in Canada? _____
3. How many franchisees belong to the franchise system in Canada? _____
4. Does the system have a formal Franchisee Advisory Board/Council in place? _____
5. *Current initial franchise fee(s): $_____ (in Canadian dollars)
6. Current royalty fee in Canada:

   _____% of gross sales or $ _____(flat fee) or ❑ Other (please describe below)

   _____
7. Current national advertising fees in Canada (e.g. National/Brand/Ad Fund Fees):

   _____% of gross sales or $ _____(flat fee) or ❑ Other (please describe below)

   _____
8. Current local/regional advertising fees in Canada:

   _____% of gross sales or $ _____(flat fee) or ❑ Other (please describe below)

   _____
9. Other Fees (i.e. Training, Call Centre, Referral, etc.). Please describe:_____

   _____% of gross sales or $ _____(flat fee)
10. Number of NEW Units in the past two (2) years: Corporate Units: _____ Franchised Units:_____
11. Closures (please provide information on the following based on the past two (2) years):
    a. Number of Corporate Units closed: _____
       Explanation:_____
    b. Number of Franchise Units which have been terminated/cancelled by the Franchisor: _____
       Explanation:_____
    c. Number of Franchise Units which have not been renewed by the Franchisor: _____
       Explanation:_____

d. Number of Franchise Units which have been reacquired by the Franchisor: _____
Explanation:_____

e. Number of Franchisees which have otherwise left the system: _____
Explanation:_____

SECTION 4: PRINCIPALS/AFFILIATES OF APPLICANT

List all the Principals:

(Ex.: Major shareholders, directors, general partners and officers of the applicant who will have day-to-day management responsibilities relating to the franchise. Major shareholders are considered to be those owning more than 10% of the voting shares. If a principal has multiple capacities, indicate capacities)

Name/Title: _____

Name/Title: _____

List all the Affiliates:

I. **Legal Co. Name:** _____

Relation to Applicant: _____ **Business of affiliate:** _____

II. **Legal Co. Name:** _____

Relation to Applicant: _____ **Business of affiliate:** _____

III. **Legal Co. Name:** _____

Relation to Applicant: _____ **Business of affiliate:** _____

SECTION 5: DISCLOSURE INFORMATION

1. **Gross Annual Franchise System Sales** *(for most recent fiscal year-total sales of products and services)*

   Total for Corporate Units: $_____ Average for Corporate Units: $_____

   Total for Franchised Units: $_____ Average for Franchised Units: $_____

2. **Has the applicant, any predecessor, 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 licence in any jurisdiction suspended or cancelled? ❑ Yes ❑ No

   b. Been adjudged or voluntarily become bankrupt, re-organized due to insolvency; taken the benefit of any statue 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(s) for an indictable offence under the Criminal Code of Canada, within the last seven (7) years, which remains outstanding? ❑ Yes ❑ No

SECTION 6: REFERENCES

Lawyer

Firm Name: _____

Contact Name: _____ **Phone**: _____

Bank

Bank Name: _____

Contact Name: _____ **Phone**: _____

SECTION 7: 2016/17 MEMBERSHIP DUES & PAYMENT INFORMATION (Effective June 1, 2016)

Indicate your dues category based on the total gross sales for your most recent fiscal year (defined as the total franchise system wide sales in Canada, including franchise and corporate units, and not just royalty revenues of the Franchisor).

STEP 1: SELECT YOUR DUES CATEGORY

Gross Sales	Annual Dues	Gross Sales	Annual Dues
☐ **Up to $500,000**	$975	☐ **$25,000,001 - $50,000,000**	$5,742
☐ **$500,001 - $1,000,000**	$1,342	☐ **$50,000,001 - $75,000,000**	$6,108
☐ **$1,000,001 - $1,500,000**	$1,708	☐ **$75,000,001 - $100,000,000**	$6,475
☐ **$1,500,001 - $2,000,000**	$2,075	☐ **$100,000,001 - $150,000,000**	$6,842
☐ **$2,000,001 - $2,500,000**	$2,442	☐ **$150,000,001 - $300,000,000**	$7,208
☐ **$2,500,001 - $3,000,000**	$2,808	☐ **$300,000,001 - $500,000,000**	$7,575
☐ **$3,000,001 - $4,000,000**	$3,175	☐ **$500,000,001 - $750,000,000**	$7,942
☐ **$4,000,001 - $6,000,000**	$3,542	☐ **$750,000,001 - $1,000,000,000**	$8,308
☐ **$6,000,001 - $8,000,000**	$3,908	☐ **$1,000,000,001 - $1,500,000,000**	$8,675
☐ **$8,000,001 - $10,000,000**	$4,275	☐ **$1,500,000,001 - $2,000,000,000**	$9,042
☐ **$10,000,001 - $15,000,000**	$4,642	☐ **$2,000,000,001 - $2,500,000,000**	$9,408
☐ **$15,000,001 - $20,000,000**	$5,008	☐ **$2,500,000,001 - $3,000,000,000**	$9,775
☐ **$20,000,001 - $25,000,000**	$5,375	☐ **$3,000,000,001 – and over**	$10,142

STEP 2: SELECT YOUR MEMBERSHIP TYPE

☐ **I want to sign up for a One-Year Membership**

☐ **I want to sign up for the Special Two-Year Membership**

The special two-year membership provides you with immediate access to the Zor-2-Zor Mentorship Program and protects you from a dues increase in your second year.

STEP 3 (OPTIONAL):

☐ **I want to sign up for the Two-Year Membership Payment Plan**

- 50% deposit (of the Two-Year total of annual dues) due with application
- Balance of membership dues paid in 12 equal installments within the first year
- Payment Plan Agreement to follow

PAYMENT METHOD:

APPLICABLE SALES TAX CHART	**Method of Payment:**	**Credit Card Number:**
GST/HST Registration Number: R122972920 QST Registration Number: 1212953071	☐ **VISA** ☐ **MASTERCARD** ☐ **AMEX**	**Expiry:**
☐ BC, AB, MB, NU, NWT, SK, YK: 5% GST ☐ ON: 13% HST = 13% ☐ QC: 5% GST + 9.975% PST = 14.975% ☐ NB, NS, PEI, NL: 15% HST = 15% ☐ US/INT: 0%	☐ Please **INVOICE** me ☐ **CHEQUE** to follow	**Cardholder Name:** **Signature:**
	Membership Dues:	$ 0
	Applicable Taxes:	$ 0
	Total:	$ 0

(NOTE: You must sign the Acknowledgement on the next page)

SECTION 8: HOW DID YOU LEARN ABOUT CFA?

Referred by (Name/Company): _____

Advertisement/Article/Mailing (please specify): _____

Other (please specify): _____

What benefits are most important to you in joining CFA? *(please select below all that apply)*

❑Enhanced credibility ❑Government relations & advocacy ❑Lead generation ❑Educational events
❑Networking & social events ❑Group savings ❑Professional development & mentorship
❑Best practice resources & articles ❑ Other (please specify): _____

What other Franchise Associations do you belong to? *(please select below all that apply)*

❑Conseil Québécois de la Franchises ❑International Franchise Association ❑British Franchise Association
❑Franchise Council of Australia ❑Other (please specify): _____

SECTION 9: APPLICATION CHECKLIST

The following documents are necessary for a completed application to become a CFA member. Please ensure that you attach all of the following documents to your application form:

- ❑ Completed and signed application form
- ❑ Current Disclosure Document including all schedules/exhibits (if operating only in provinces without disclosure legislation, please provide a document that meets CFA disclosure requirements: www.cfa.ca/DisclosureGuide)
- ❑ Current franchise agreement
- ❑ Signed CFA Code of Ethics
- ❑ Payment deposit equal to 12-months dues at the rate applicable to your system

SECTION 10: AUTHORIZATION, DECLARATION AND ACKNOWLEDGMENT

By checking the "Agreement/Signature" box below, I authorize the following:

1. I represent and warrant to the CFA that I have authority to act on behalf of the applicant.
2. I certify that the applicant has the exclusive rights to grant franchises in all of Canada.
3. I declare that the information given on or pursuant to this application is true and complete and not misleading in any way.
4. 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 parties 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.
5. 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.

Company Name:	**Date:**
Authorized Signing Officer:	**Title:**
❑ **Agreement & Signature of Signing Officer:** ***(please check box)***	

Return your completed application form and supporting documents to the CFA Membership Department by:
E-mail: membership@cfa.ca • **Fax:** 416-695-1950 • **Mail:** 116-5399 Eglinton Ave W, Toronto, ON M9C 5K6
Questions? Contact Ruth Stuart Moore, CFA Membership Sales, at rstuartmoore@cfa.ca or call 416-695-2896 ext. 247

Canadian Franchise Association ™

Code of Ethics

Revised March 19, 2007

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.

By checking the box you confirm that you have read, understood, endorse and subscribe to this Code of Ethics. ☐ **Please Initial:** _____