

FRANCHISE INVESTMENT LAW (EXCERPT)
Act 269 of 1974

445.1502 Definitions.

Sec. 2. (1) "Advertisement" means a written or printed communication or a communication by means of recorded telephone message or spoken on radio, television, or similar communications media, published in connection with an offer or sale of a franchise.

(2) "Department" means the department of attorney general.

(3) "Franchise" means a contract or agreement, either express or implied, whether oral or written, between 2 or more persons to which all of the following apply:

(a) A franchisee is granted the right to engage in the business of offering, selling, or distributing goods or services under a marketing plan or system prescribed in substantial part by a franchisor.

(b) A franchisee is granted the right to engage in the business of offering, selling, or distributing goods or services substantially associated with the franchisor's trademark, service mark, trade name, logotype, advertising, or other commercial symbol designating the franchisor or its affiliate.

(c) The franchisee is required to pay, directly or indirectly, a franchise fee.

(4) "Franchisee" means a person to whom a franchise is granted.

(5) "Franchisor" is a person who grants a franchise and includes a subfranchisor.

(6) "Area franchise" means a contract or agreement between a franchisor and a subfranchisor whereby the subfranchisor is granted the right, for consideration given in whole or in part for such right, to sell or negotiate the sale of franchises in the name or on behalf of the franchisor; unless specifically stated otherwise, franchise includes area franchise.

(7) "Subfranchisor" is a person to whom an area franchise is granted.

History: 1974, Act 269, Eff. Oct. 15, 1974;—Am. 1984, Act 92, Eff. June 20, 1984.