

FRANCHISE INVESTMENT LAW (EXCERPT)
Act 269 of 1974

445.1513 Conditions prohibiting offering for sale or selling franchise.

Sec. 13.

A franchise shall not be offered for sale or sold in this state if any of the following apply:

- (a) The franchisor's method of business includes or would include activities which are illegal where performed.
- (b) A person identified in the disclosure statement has been convicted of an offense described in section 8(2)(e) (i), is subject to an administrative order, or has had a civil judgment entered against him or her involving the illegal offering of franchises or securities and the department determines that the involvement of the person in the sale or management of the franchise creates an unreasonable risk to prospective franchisees.
- (c) The franchise offering is the subject of a permanent or temporary injunction entered under any federal or state act applicable to the offering.
- (d) The franchisor has failed to pay the proper fee.

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