



February 2016
Issue 2

STATE OWNER NEWSLETTER

Renewal Contracts

All of the renewal contracts have been sent out and if you have not already received yours, it should be delivered within the next few days. Feel free to contact me if you have any questions. You will need to sign both copies and send them back to me for my signature. I will then send your signed copy with my signature. Once the contracts are signed you can start moving forward on new franchise sales.

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Monthly Reports

I have hired a person from the University here in town that will be helping me monitor monthly reports. Many of you have received a letter from me stating that some of your operators are missing some of their reports. It is the responsibility of every Master Franchisee (State Owner) to insure that a monthly report is completed and submitted each and every month. This is a requirement of the Master Franchise Agreement, and all Subfranchise Agreements. This is not anything new. It has always been part of the Agreement that each of you, and every one of your Subfranchises, have agreed to. You and your Subfranchisees need to be reviewing this information each and every month. The corporate office needs this information monthly as well. Within the next six months, the monthly report will expand to track more information than is currently required.

Those who are not submitting the report need to be made aware of how crucial it is. Every Franchise system there is has a reporting requirement. It is not just something we would like them to do, but it is a requirement of the Franchise Agreement, and failure to comply can lead to termination of their Franchise rights.

Most of the Franchisees are in compliance. You as a Master Franchisee need to work with those within your state who are not in full compliance. Their noncompliance can cause you to be in violation of your Master Franchise Agreement. Once everyone understands the importance of the reporting requirements, they will get in full compliance.

As a Master Franchisee, it will be to your benefit to have all of your Subfranchisees signed up with Service Monster. Service Monster will make the new reporting requirements very easy.

New Website

Our new website went live the first part of January, 2016. The site is geared for New Franchise Sales. Every Subfranchisee needs to have their own website so they can benefit from the local searches. We are keeping our zip code finder and operators-only portion of our old web site for now, but it will be changing in the future. We are working on it daily and the site will continue to improve. We do appreciate your input on the site and getting your opinions.

The new site is working-we have already made a couple of new Franchise Sales this year. Our new web site and the additional services we offer will dramatically increase the number of new Franchise Sales this year.

Focus On Franchise Sales

As of December 31, 2015 and for the present time we have discontinued the State Advertising Fund. This will allow each of you to market in your own state for new franchisees. We want you to focus a lot of effort on finding a new franchisee. Think out of the box and come up with ideas that will be within your budget, but will allow you to make a new Franchise Sale during 2016. This is a business and you need to be promoting your business. It will not happen by sitting idle and waiting for new franchisees to fall into your lap. We all need to be making a concentrated effort to move the business forward. We are all in this together, and we all need to be concentrating on getting new Franchise Sales.

Monthly Fee Increase

We will be informing all of our existing Franchisees of the increase of monthly fees on March 1, 2016. The increase of 5% which equals \$4.00 per month per licensed territory will begin April 1, 2016. The 5% increase per year will continue for the next five years.

The \$20.00 fee per month for each operating Franchisee/Subfranchisee that each State owner will be paying will begin April 1, 2016 and will be due by the last day of each month.