

STATE OF CALIFORNIA – DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
**NOTICE OF A TRANSACTION EXEMPT UNDER CORPORATIONS CODE SECTION
31106**

DFPI-310.106 (Rev. 07-25)



Department Use Only _____
Fee paid (per Corporations Code
Section 31500(f)): \$ _____

Department of Financial Protection and
Innovation File No. _____

Receipt No. _____

(Insert file number(s) of prior filings with the
Receipt No. Department, if any)

SEE INSTRUCTIONS

1. Type of Filing (check one):

- ☐ Initial Notice \$1,245 Fee
☐ Subsequent Notice \$415 Fee

2. (a) Name of FILER: _____

(b) Principal business address of FILER: _____

(c) The FILER is filing as a (check one):

- ☐ FRANCHISOR ☐ SUBFRANCHISOR

(d) If FILER is a SUBFRANCHISOR, the name and principal business address of the
FRANCHISOR: _____

(e) Name(s) under which FRANCHISOR does business:

3. Name and address of agent in California authorized to receive service of process:

4. The following subdivision paragraph under Corporations Code Section 31106 applies to this
transaction (check one):

- ☐ (a)(1)
☐ (a)(2)
☐ (a)(3)

5. Franchise sold:

(a) Name of franchise or subfranchise: _____

(b) Description of franchised business: _____

(c) Type of franchise (check one): ☐ Franchise ☐ Subfranchise

(d) Name of all persons to whom the franchise was sold: _____

(e) Date of sale: _____

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6. Name, title, telephone number and business address of individual to be contacted by the Department regarding this notice:

Name: _____

Title: _____

Business Address: _____

Telephone: _____

7. Date of this notice: _____

Name of Filer

Authorized Signature

Printed Name of Signatory

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Instructions for Completing and Filing Notice of Exemption

(Sectional and Chapter references are to the California Corporations Code)

1. General Instructions.
 - (a) The filing of this notice means that the FILER is claiming an exemption from Chapter 2 (commencing with Section 31110) regarding any offer, sale, or other transfer of a franchise or any interest in a franchise, and that the offer, sale or transfer meets the requirements for filing this notice as described in (b) and (c) below. A separate notice must be filed for each transaction for which this exemption is claimed, together with the fee prescribed in Section 31500(f).
 - (b) The condition for filing this notice is one of the following:
 - (1) One or more of the owners of the prospective franchisee owning at least a 50 percent interest in the prospective franchisee meet both of the following:
 - (A) The owner or owners have had, within the seven years before the date of the sale or other transaction, at least 24 months experience being responsible for the financial and operational aspects of a business offering products or services substantially similar to those offered by the franchised business; and
 - (B) The owner or owners are not controlled by the franchisor.
 - (2) One or more of the owners of the prospective franchisee owning at least a 50 percent interest in the prospective franchisee meet both of the following:
 - (A) The owner or owners are, or have been within 60 days prior to the sale or other transaction, an officer, director, managing agent, or an owner of at least a 25 percent interest in the franchisor for at least 24 months; and
 - (B) The owner or owners are not controlled by the franchisor.
 - (3) The offer, sale, or other transfer is of an additional franchise to an existing franchisee of the franchisor, or to an entity, one or more of the officers, directors, managing agents or owners of at least a 25 percent interest of which is an existing franchisee of the franchisor; provided that, in either case, for 24 months or more the franchisee, or the qualifying person, has been engaged in a business offering products or services substantially similar to those to be offered by the franchise being sold, or otherwise transferred.
 - (c) This notice must be filed, together with the fee prescribed in Section 31500(f), within 15 calendar days after the sale of the franchise.
 - (d) If the notice is filed by a subfranchisor (Section 31009), the notice is applicable only to sales by the subfranchisor filing the notice.
 - (e) No documents need be filed with the notice.

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- (f) If the notice form cannot be obtained from the Department, it may be typed on a single sheet of 8-1/2 inch by 11 inch white bond paper, using one side only. If the space in the form is insufficient for one or more items, attach a single continuation sheet, designating the continued information by item number.
- (g) Amendments. An amendment should be filed only for material changes in the information contained in the notice. There is no fee for an amendment.

2. Instructions for Completing Form.

Heading:

- A. Department file number. Insert the file number(s) assigned to the filing franchisor or subfranchisor in any prior filings with the Department under the Franchise Investment Law.

Item 1. Type of filing. Check the box as appropriate to indicate whether the filing is an initial filing or subsequent notice.

Item 2. The information provided in parts (a), (b) and (c) relate to the company filing the notice (i.e., the "filer") which may be the franchisor or a subfranchisor. If a subfranchisor files the notice, part (d) must be completed to give the name and business address of the franchisor. Part (e) must state the names associated with the franchisor's business.

Item 3. If the notice is filed by a subfranchisor, the agent(s) for service of process of both the franchisor and subfranchisor must be furnished.

Item 4. Check the box that applies to indicate the condition in Section 31106 that is claimed as the basis for the exemption.

Item 5. Specify the name or title given the franchise agreement. Briefly describe the franchised business (e.g. "restaurant," "retail sales of bicycles"). Check the box to specify whether the franchise is one to conduct the franchised business (Corp. Code Section 31010) or a subfranchise (Corp. Code Section 31008.5). Give the names of all the purchasers of the franchise or subfranchise. State the date of when the sale was consummated.

Item 6. Give the name, title, business address and telephone number of the individual the Department may contact in connection with the notice.

Item 7. The notice shall be signed on behalf of the filing franchisor or subfranchisor by a person authorized to do so.

3. Instructions for Filing the Notice.

The notice must be filed and the fee paid within 15 calendar days after the sale of the franchise. The notice may be filed, and the fee may be paid, by mail or delivery to any office of the Department of Financial Protection and Innovation. The notice is effective when received with the fee (Section 31106(b)).