**Section 200.201 Order of Exemption**

a) Pursuant to Section 9 of the Act, the Administrator may by Order grant exemptions from the registration and disclosure requirements of the Act. The Administrator will consider whether to issue such an Order upon submission of the following:

1) A cover letter describing the basis for the exemption by reference to this Section and to Section 9 of the Act, a list of administrative agencies (other franchise regulatory states and the Federal Trade Commission) that have issued or denied exemptions or opinions with copies of the exemptions or opinions, and a statement of the number of franchises the franchisor intends to sell in Illinois in the ensuing twelve months;

2) A list showing all Illinois franchise sales since the most recent UFOC submitted with the exemption application;

3) A UFOC (Appendix A, Illustration L); and

4) A certification page (Appendix A, Illustration G).

b) Exemption requests will be granted only when in the public interest. An exemption is considered in the public interest:

1) If the franchisor intends to sell only one or two franchises in Illinois in the ensuing twelve months;

2) If the litigation and bankruptcy disclosure is not materially adverse to the interests of prospective franchisees;

3) If the franchisor agrees to timely provide the franchisee with a UFOC disclosure statement; and

4) If the franchisor obtains a letter from the prospective franchisee's attorney, after issuance of the exemption but within the time period described in Section 5(2) of the Act, stating that he has explained the Act to his client, and the client does not object to issuance of the exemption, and forwards the letter to the Administrator. Prior to procurement of this letter, but after issuance of the order of exemption, the franchisor may solicit franchisees but may not have a contract signed or require a prospective franchisee or subfranchisor to pay consideration.

c) Application for exemption from Sections 5 and 10 of the Act may be made with regard to the offer and sale of a single unit franchise in which the actual minimum initial investment is in excess of $1,000,000. The Administrator will consider whether to issue such an Order upon submission of the following:

1) The information required by subsection (a) of this Section;

2) A list showing all Illinois franchise sales since the most recent UFOC submitted with the exemption application; and

3) Application documents required by Section 200.600(a)(1) through (7).

d) Every registered franchise and any franchisor exempt under this Section must provide the prospective franchisee with a UFOC disclosure document unless specifically excused from this requirement by the Administrator.

(Source: Amended at 23 Ill. Reg. 11561, effective September 7, 1999)