**Section 200.505 Performance or Surety Bond**

A franchisor who posts a surety bond shall do so in the form of Appendix E hereto in an amount equal to the product of the initial franchisee fee and the number of franchises the franchisor is authorized to sell in Illinois in the ensuing registration year. The bond is to be issued by a corporate surety authorized to transact business in Illinois. The bond shall be conditioned upon the performance by the franchisor of its obligations under the franchise and other agreements to furnish goods and/or services necessary to establish and open the business of its franchisees and upon the franchisor's compliance with the Act and this Part.

(Source: Amended at 12 Ill. Reg. 9424, effective May 18, 1988)