NATIONAL FRANCHISE MEDIATION PROGRAM

Franchisee Subcommittee

Tuesday, January 14, 2003

Present: Morton H. Aronson, Bob Purvin, Bill Hall

Also Attending: F. Peter Phillips

The Franchisee Subcommittee met by telephone at 3:00 p.m. (Eastern time). Mr. Phillips explained that the purpose of the subcommittee was to suggest strategies for increasing franchisee awareness, trust and usage of the Program. Mr. Aronson said that the IFA magazine will carry an article describing the structural changes in the Program inviting franchisee participation. He expressed the expectation that AAHOA may increase its support for the Program.

Mr. Aronson questioned whether the IFA could encourage franchisees. Mr. Hall questioned how effective that strategy would be; rather, he noted some very influential people in the franchisee community who may have a more persuasive effect on franchisees – Michael Dady in particular. Mr. Hall suggested that he consult with Dady and other respected members of the franchisee bar on the entire problem.

The group discussed that, in addition to the franchisee bar, the franchisee associations could be effective. Mr. Purvin said that calls come into these associations frequently, and it's important to educate them on the Program to advise their members of the existence and benefits of the Program. It would be important to make the Program look to an association like the association was giving a benefit to its members.

Mr. Hall suggested that the group of speakers who frequently address franchisee associations not only familiarize themselves with the Program, but have a tangible goal such as endorsement of the Program.

Mr. Aronson asked Messrs. Purvin and Hall to approach Mr. Dady, as suggested. Other leaders of franchisee associations should also be listed and approached. Messrs. Purvin and Hall will also create a list of associations and individuals and convey it to Mr. Phillips. The subcommittee will reconvene by phone at 3:00 Eastern on Tuesday, February 4, to report on these efforts.

Upon motion duly made and seconded, the meeting adjourned at 3:50 p.m.

Respectfully Submitted,

F. Peter Phillips