NATIONAL FRANCHISE MEDIATION PROGRAM

Subcommittee Meeting
February 6, 2002, 2:00 p.m. E.S.T.

Present: Raxit Shah, Chair
Mort Aronson
Lowell Dixon
Bill Hall
Mark Zuckerman

The Subcommittee met by telephone to discuss how the Program might be amended to include franchisee associations as members. The members of the Subcommittee agreed that folding franchisee organizations into the Program would be a step toward the overriding goal of increasing franchisee trust in the Program.

Mr. Shah reported that a meeting has been set up with the AAHOA Board on February 11 to discuss how AAHOA can take part. AAHOA sought to know how the Program can be structured to be fair to all concerned. Mr. Aronson reported that an AAHOA representative will attend the next NFMP Steering Committee meeting.

Mr. Shah noted that, although franchisor organizations might require individual franchisors to mediate, franchisee organizations cannot bind their members to mediate – they can only endorse the process and encourage them to do so.

Mr. Zuckerman and Mr. Shah urged that franchisee associations be asked not only to endorse or “join” the Program in some way, but also to contribute even a nominal amount, to ensure that their membership is intentional and deliberate. Membership should be offered to associations, not to individual franchisees.

Mr. Phillips asked whether franchisee members would find it attractive if they had a voice in selecting franchisee representatives of the Steering Committee of the Program. The group felt it was more important for the purpose of gaining franchisee trust that the mediation process itself be fair, and that the Steering Committee have the “right” people with the right energy and commitment, rather than that the franchisee associations have a governance voice.
Mr. Hall suggested that particular franchisee associations be targeted, and that franchisee members of the Steering Committee personally contact these targets and encourage their participation. Members were asked to convey suggestions of association targets to Peter Phillips, who will distribute them. Mr. Shah recommended emphasis on associations linked with franchisors who are already part of the Program.

Mr. Phillips will prepare proposed language changes to the Program documents, designed to implement these suggestions, and will distribute them to the Subcommittee. He will consolidate any comments on these proposed changes and distribute the proposals to the Steering Committee for consideration at its next meeting.