The Steering Committee of the Franchise Mediation Program met in Atlanta, GA on Friday June 23, 2006. Present were:

William G. Hall (Co-Chair)  
William G. Hall & Company

David Mayberry  
Kilpatrick Stockton LLP

Scott McLester (Co-Chair)  
Cendant Corporation

Jay Patel  
AAHOA

Kay Marie Ainsley  
Michael H. Seid & Associates

F. Peter Phillips  
CPR Institute

Morton H. Aronson  
Kilpatrick & Stockton LLP

Robert L. Purvin, Jr.  
AAFD

Marcus Banks  
Cendant Corporation

Karen Satterlee  
Starbucks Coffee Company

Charles Broun III  
InterContinental Hotels Group

Fred Schwartz  
AAHOA

Steve Ellerhorst  
IHFA

Raxit Shah  
Liberty Group of Companies

David French  
International Franchise Association

Matthew Shay  
IFA

John Kujawa  
McDonald’s USA

Steve Smith  
InterContinental Hotels Group

Jim Valentino  
Tropical Smoothie Cafe

Co-Chairs Bill Hall and Scott McLester convened the meeting at 10:30 a.m. The chairs thanked Mr. Aronson for his hospitality. The group discussed when and where it should next meet,
looking for a Friday or Monday in October, in Fort Worth. The attendees introduced themselves and Mr. Phillips gave a brief introduction of the Program.

**Approval of Minutes**

On motion duly made and seconded, the minutes of February 10, 2006, were approved as submitted.

**Discussion of Pending Activities**

Mr. Hall recounted that a survey form was approved at the last meeting, and that the IFA had agreed to assist in distributing it. A test run was done with a selected group from IFA. The survey went out to 1100 IFA members on Monday June 19, and results should be in hand within a week. Mr. Hall reported on the results of the sample returns. The group discussed the reasons why some respondents did not encourage mediation. The Program will use the survey results as part of its education and outreach. The result report may also include an invitation to learn more about mediation. The survey will also be sent to the Committee.

Mr. Shay introduced David French, Vice President of Government Relations, and urged him to be named as IFA’s main liaison to the Committee. He also suggested that the state regulator community be made aware of the program. Mr. Hall expressed the Program’s gratitude to the cooperation and support that the IFA has provided.

Mr. Phillips reviewed the state of the web site and also the newly revised Rules Booklet. Various Committee participants were encouraged to place links to the web site and, in particular, to the online Rules Booklet. The Power Point program should be added to the links page, as well as articles and other resources.

Mr. Hall discussed identifying forums in which presentations can be made, other than the IFA and ABA meetings. Mr. Phillips questioned the effectiveness of live presentations to associations. Mr. Aronson offered his view that they are helpful ways to raise awareness of the Program. Small meetings of management of major companies are the most effective way to encourage specific use, but these kinds of meetings are very time-consuming. Ms. Satterlee suggested that franchisee associations are a good target. Mr. Kujawa said the most effective proponents are not spokesmen, but actual franchisees and franchisors who actually used the process, and saved money from it. It should be individual businesspeople, not attorneys.

A discussion ensued on issues that are amenable to mediation. Mr. Broun pointed out that traditionally mediated topics, such as encroachment and territories, are fertile ground. He felt that the challenge was not to teach people how mediation works, but rather the practical ways it can be used. Mr. Hall asked for ideas of targeted audiences that would most benefit from such presentations. CLE presentations through the state bar associations may be a good idea. Ms. Ainsley underscored Mr. Broun’s point, and pointed out the people buy benefits, not features, and that explaining how it works is less compelling than a franchisor and a franchisee explaining how they benefited from it.
Mr. Aronson asked the group’s response to the prospect of franchisors’ encouraging franchisees to engage in mediation by offering to absorb the entire cost. Mr. Banks noted that the arrangement may remove the franchisee’s incentive or investment in participating. Mr. Kujawa noted that more benefit may be realized by a policy that encourages the practice than harm from those few franchisees who may misuse it.

Mr. Phillips introduced the concept of a book to be published later this year or early in 2007, and circulated an outline describing its purpose and content. The outline presented was generally accepted as useful to the book’s target audience: businesspeople, attorneys who consult businesspeople, corporate in-house counselors, and teachers or students. The idea of publishing in CD-ROM, or on-line, was also discussed. The book should close out with a “how to do it” section, to tie it together. Mr. Phillips will assume responsibility for creating the editorial content with the aim of creating a draft by the next meeting.

**Growth of Program**

Mr. Hall, Mr. Lester and Mr. Phillips discussed the proposed activities of the Program, the associated costs of those activities, and the campaign to solicit financial support for those activities that was approved by the Committee at its February 2006 meeting. Mr. McLester asked whether members of the Committee were comfortable approaching individuals to contribute for this purpose. Mr. Phillips will coordinate those contacts.

**Events and Experiences**

David French reported on initiatives of the IFA, including an online repository of UFOCs. It is also involved in opposing some organized labor efforts.

The AAFD attracted over 40 franchisee associations at its most recent meeting. It has appointed a new President.

AAHOA has conducted a series of regional meetings.

CPR recently conducted a dual-track training the CPR Spring Meeting, for advanced mediator skills and advocates in mediation. The same training may be repeated in New York in January 2007.

The meeting adjourned at 1:45 p.m.

Respectfully Submitted,

F. Peter Phillips
Secretary