NATIONAL FRANCHISE MEDIATION PROGRAM

Steering Committee

Wednesday, July 10, 2002


Absent: Tom Damigella, Donald Hachenberger, Donald Hazlett, Kenneth S. Kaplan

Also Present: Matt Shay

Mr. Aronson convened the telephonic meeting at 2:05 p.m. The group reviewed a proposed expense budget submitted by the administrator. The IFA has been contributing in-kind to advertisements, and was asked to re-visit support for that item and for printing. Mr. Hall suggested that costs assumed by meeting hosts such as IFA and AAFD should be reflected as expenses, to be balanced by in-kind contributions as appropriate. On the revenue side, Steering Committee members were encouraged to contribute. A surcharge on mediations was considered but rejected because there is little activity, and increasing the price may lower the activity. While some level of contributions may continue to be received from voluntary contributions, a special opportunity might be created by seeking major contributions from a smaller number of supporters. An e-mail poll will be taken to determine the committee’s approval of the expense budget as presented.

Mr. Phillips and Mr. Hall discussed encouraging franchisees to mediate disputes other than those with franchisors, which may be more frequent and perhaps more amenable to ADR. The idea is to have more things to sell – not merely franchisor/franchisee disputes. It would also permit a marketing position that mediation can be useful to franchisees irrespective of any involvement with franchisees, thus adding to its credibility and skirting any objection that the Program is dominated by franchisors and thus untrustworthy. The Committee approved this approach.

Mr. Aronson encouraged all Steering Committee members to use the Program in their own companies.

Mr. Aronson reported on correspondence with NFMP members, NFC members and the ABA. Mr. Phillips will distribute copies of the ABA correspondence to the Committee. Mr. Aronson is optimistic that the ABA Franchising Forum would be more supportive. Mr. Dienelt suggested
that Ron Gardner of the Mediation Division of the Franchise Forum be put on the Steering Committee in Mr. Dienelt's stead.

Mr. Aronson reported on discussions with AAHOA representatives. The Committee was supportive of Mr. Aronson's inviting a representative to join the Steering Committee.

Mr. McLester reported on an upcoming article in *Metropolitan Corporate Counsel* magazine.

Mr. Rosen asked for the Committee to address, at its next meeting, the inclusion of franchisee associations in marketing and governance efforts. Mr. Aronson asked Committee members to propose to Mr. Phillips suggestions for new members of the Committee, including franchisee associations.

Mr. Phillips will poll the group about where and when to have the next meeting. New York, Dallas, Washington and Chicago were mentioned.

Upon motion duly made and seconded, the meeting adjourned at 3:15 p.m.

Respectfully Submitted,

F. Peter Phillips