FRANSES FILER GUIDE

How to submit Franchise and Securities filings

FRANSES Filer Guide

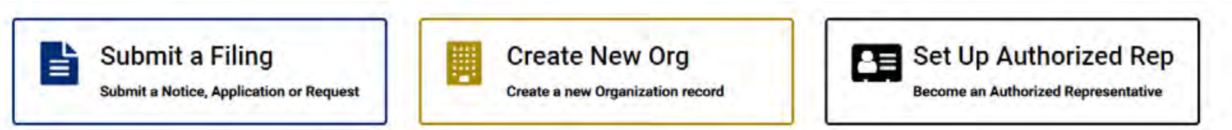
Account Management

Understanding User Types

There are 3 types of Users that provide varying levels of capability within the Franchise and Securities Electronic Submission (FRANSES) system.

Basic User – A Basic User is a user of FRANSES that is not related to an Organization. Basic Users have a limited view of the FRANSES Catalog of filing forms and requests.

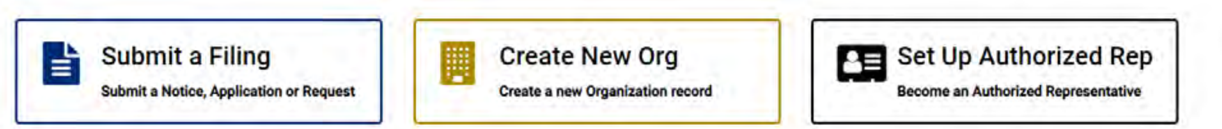
Basic Users can submit Securities Exemption Notices, as well as requests related to Organization Management and Account Management. Basic users can use any three of the FRANSES Homepage functions in the graphic below:



Basic Users are not related to an Organization and therefore cannot manage information on or related to an Organization in FRANSES. Basic Users can submit a request to create Organizations not in FRANSES. They can also request to become an Authorized Representative for a registered FRANSES Organization.

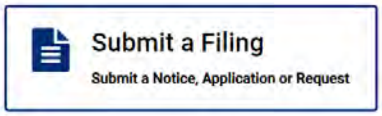
Basic Users should use "My Filings" to review and track their filings. Submitted filings, filing requiring additional action, pending filings, and filings under review can be found in "My Filings."

Authorized Representative – An Authorized Representative User is a user of FRANSES that is related to at least one Organization. There can only be one Authorized Representative per Organization. The Authorized Representative has the highest level of access within the FRANSES system and can submit all types of filings, can update Organization information and can manage what Delegated Users are associated with their Orgs. Note: When you first select the Organization, the information may not be filled out. This information will be updated once the Authorized Representative process is completed. Authorized Representatives can use any three of the following FRANSES Homepage functions:



Delegated User – A Delegated User is a user of FRANSES that is related to at least one Organization. The Delegated User can submit most types of filings but cannot update Organization Information directly.

Delegated users can submit most Franchise and Securities Exemption Notices, as well as most Franchise and Securities Applications. Any request submitted by a delegated user will be reviewed by the DFPI before any changes can be applied. Delegated users can use the following FRANSES Homepage widget:



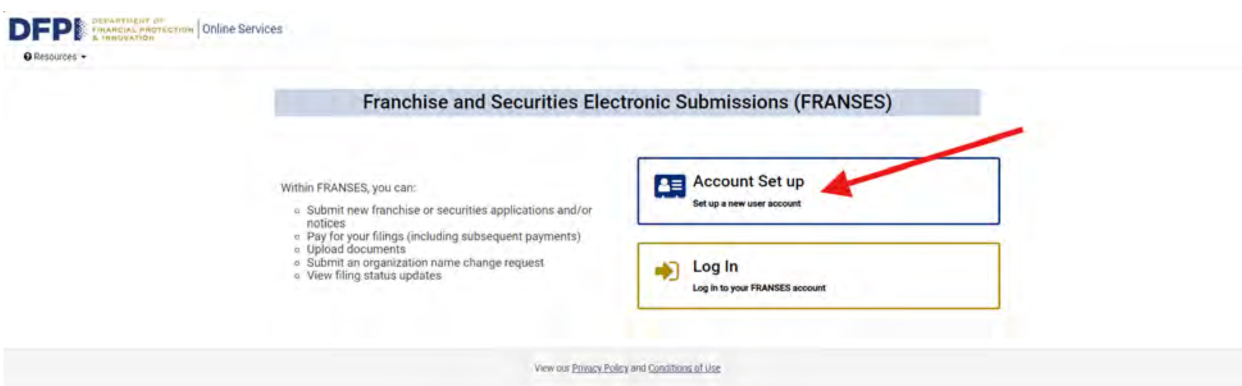
Additional functionalities related to managing Organization Information are not permitted as a Delegated User. Organization Hierarchy, DBAs, Affiliated User Accounts, and NAICS Codes cannot be managed or updated by Delegated Users.

Delegated Users are assigned to Organizations by the Organization's Authorized Representative. There is no limit to the number of Delegated Users that are assigned to the Organization.

Creating an Account

To use the FRANSES System, you must have a User Account. Your User Account will determine what level of access you have in the system, as described in the above section.

Step 1: Navigate to the FRANSES homepage and click "Account Set up."



https://franses.dfpi.ca.gov/

Step 2: Complete all mandatory fields in the user setup form. Ensure the information provided is accurate.

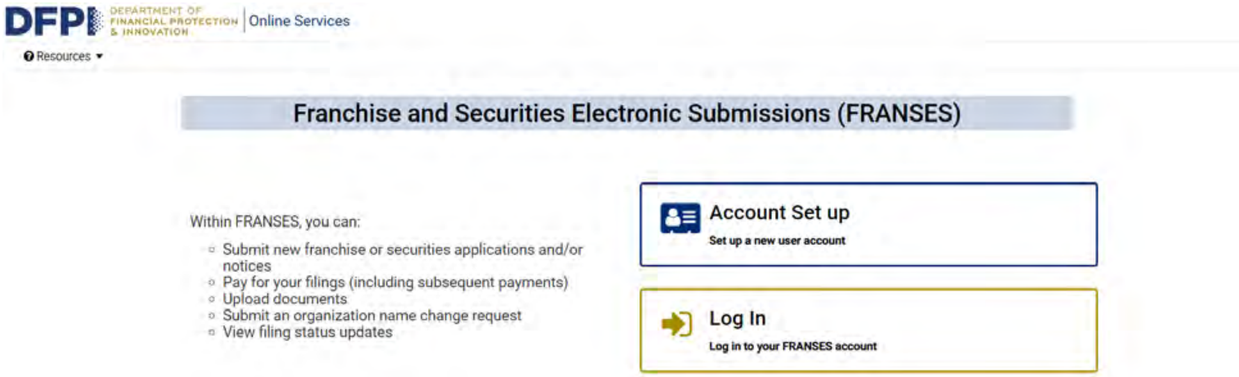
Step 3: Select sign up.

Step 4: You will receive an email to the address provided during sign-up. Follow the instructions in the email to confirm your identity. Be sure to only click the link one time as multiple clicks will cause the link to expire. **Note that you have a limited time to complete this step.**

Step 5: After confirming your email address, you will receive another email with a link to set your password. Follow the link and create a password that meets the minimum requirements.

Logging in

Step 1: Open FRANSES and click “Log In.”



https://franses.dfpi.ca.gov/

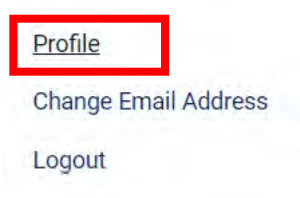
Step 2: Enter your email address and password.

Step 3: Click “Log In” to access the FRANSES homepage.

Updating Profile Information

Once you are logged into FRANSES, you can change the information associated with your account.

Step 1: Click on your username in the upper right corner of the FRANSES portal and select "Profile” to open your user profile.



Step 2: Update the fields under "About" as needed. Note that your email will not be editable (see the Changing Your Email section to change your email address)

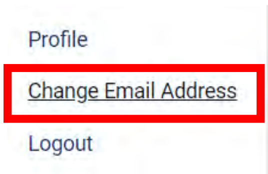
Step 3: Ensure all required fields, indicated with an asterisk (*), are populated.

Step 4: Click "Save" to update your profile information.

Changing Your Email

If you need to change the email address on your account, the email can be changed as long as it is unique in the FRANSES system.

Step 1: Click on your username in the upper right corner of the FRANSES portal and select “Change Email Address.”



Step 2: Enter the new email address in the Change Email Address popup.

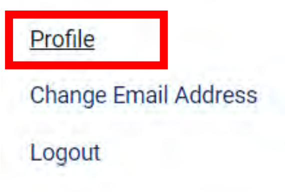
Step 3: Check the acknowledgement.

Step 4: Save the changes. A valid email address must be entered to save changes.

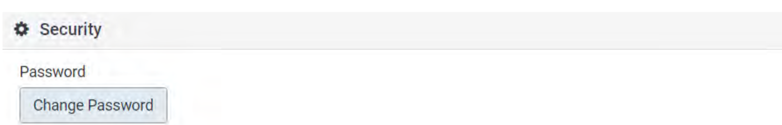
Changing Your Password

Once you are logged into FRANSES, you can change the password used to log into your account.

Step 1: Click on your username in the upper right corner of the FRANSES portal and select "Profile: to open your user profile.



Step 2: Scroll past the account information fields to the security section.



Step 3: Select “Change Password.”

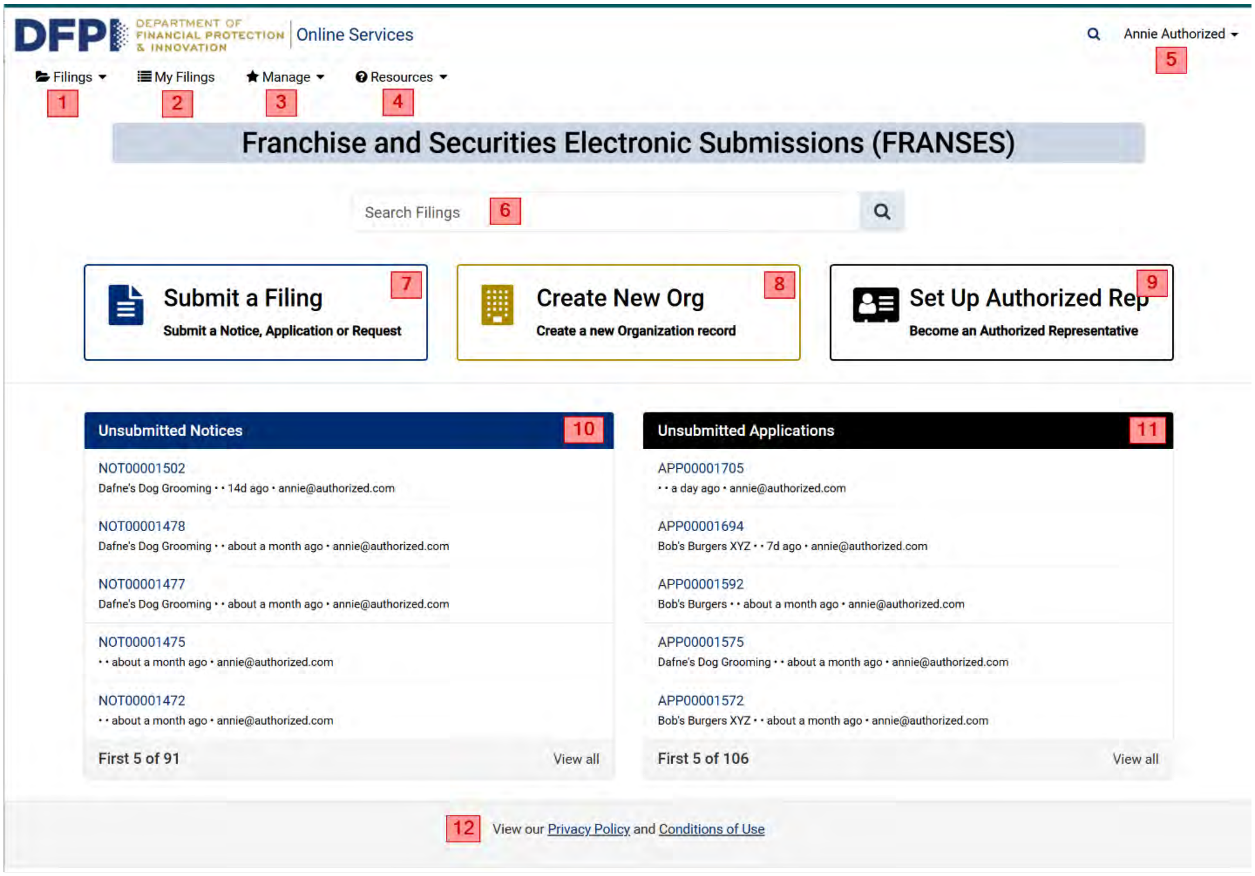
Step 4: Enter your current account password and the new password you would like to change to. Confirm the new password.

Step 5: Select “Change” to save the changes.

Step 6: You will be logged out of your account. Enter your new password to log back in.

Navigating FRANSES

After Logging in, depending on the type of user that you are, you may see the following areas of the FRANSES Portal. See below for detailed information about each section.



1. **Filings** – A drop down menu that shows Filing Categories and allows a user to browse the filing forms for submission. Accessible by all User types but may not show all categories or filing types.
2. **My Filings** – A list of Filings that have been submitted by the Filer or by others in their organization.
3. **Manage** – A list of the Organizations that the User is affiliated with. Limited updates to the Organization record are allowed. **Only accessible by Authorized Representatives and Delegated Users.**
4. **Resources** – Links to a Securities FAQ, Franchise FAQ, Contact Us Information and training materials.
5. **Profile Drop Down** – Allows update of User profile information, change or Email address and Logout.
6. **Search** – Allows Searches across the catalog of filing forms.
7. **Submit a Filing** – Quick link to the Filings Catalog to browse the available filing forms.
8. **Create New Org** – Quick link to the Create New Organization request form.
9. **Set Up Authorized Rep** – Quick link to the Request to be an Authorized Representative for an Organization Form.
10. **Unsubmitted Notices** – Displays the latest Unsubmitted Notices that have been saved as draft by the logged in user.
11. **Unsubmitted Applications** - Displays the latest Unsubmitted Applications that have been saved as draft by the logged in user.

12. **Privacy Policy and Conditions of Use** – Privacy Policy and Conditions for use for the FRANSES site.

Filing forms

Each filing form may have different mandatory fields and attachments to be completed. Please read the instructions at the top of the form and throughout the form fields as you enter information. The form may change (fields may appear, be hidden, become mandatory or optional) based on the user inputs.

Attachments

Various documents may be required for certain filing types. Only PDFs may be uploaded, the uploaded attachments must be ADA compliant, the files uploaded must have unique names, and the maximum size of these PDFs is 1024 MB. Below is the list of required or conditionally required documents for applicable filings. NOTE: if you have additional information or clarifications to share about your filing, it is recommended that you upload a letter using the "other documents" button on the filing form.

Franchise

310.100.2 Notice of Negotiated Sale

Required Document

- Notice of Negotiated Sale

310.303 - Notice of Violation - Failure to Register

Required Documents

- Application Facing Page
- Notice of Violation
- Franchise Disclosing Document

310.304 - Notice of Violation - False or Misleading Statements

Required Documents

- Application Facing Page
- Notice of Violation
- Franchise Disclosure Document

31111 - Franchise Registration Application, Initial Registration or Late Renewal Registration

Required Documents

- Application Facing Page

- Audited Financial Statements
- Auditor’s Consent
- Customer Authorization of Disclosure of Financial Records
- Franchise Disclosure Document
- Franchisor’s Cost and Source of Funds – NASAA Form
- Internet Ad Exemption Notice – Rule 310.156.3

Conditionally Required Documents

- Franchise Seller Disclosure Form – NASAA Form is required if “Yes” is selected for “Do you have any franchise sellers that offer or sell in California?”

31121 - Franchise Renewal

Required Documents

- Application Facing Page
- Audited Financial Statements
- Auditor’s Consent
- Customer Authorization of Disclosure of Financial Records
- Franchise Disclosure Document
- Franchise Disclosure Document – Marked
- Franchisor’s Costs and Source of Funds – NASAA Form
- Internet Ad Exemption Notice – Rule 310.156.3

Conditionally Required Documents

- Franchise Seller Disclosure Form – NASAA Form is required if “Yes” is selected for “Do you have any franchise sellers that offer or sell in California?”

31123 - Post-Effective Amendment

Required Document

- Application Facing Page

31125 - Material Modification

Required Documents

- Application Facing Page
- Exhibit 1 – Material Modification Disclosure Document

- Exhibit 2 – Form of Amendment to Franchise Agreement
- Exhibit 3 – Number of Franchises Presently Operating and Proposed to be Modified

31156 – Franchise Advertisement

Required Document

- Advertisement

310.113 - Release of Impounded Funds

Required Documents

- Statement of Depository
    - If all three statements are in one document, upload the same document three times
- Statement of Franchisee
    - If all three statements are in one document, upload the same document three times
- Statement of Franchisor
    - If all three statements are in one document, upload the same document three times

Securities

260.103 - Change in Rights and Privileges

Conditionally Required Documents

- 25102(f): Opinion Counsel required if 25102(f) is selected for "Please select the Notice ID that you would like to submit a change in rights and privileges for"
- 25102(h): Opinion Counsel required if 25102(h) is selected for "Please select the Notice ID that you would like to submit a change in rights and privileges for"
- 25102(n): Disclosure Document required if 25102(n) is selected for "Please select the Notice ID that you would like to submit a change in rights and privileges for"
- 25102(n): Subscription Agreement required if 25102(n) is selected for "Please select the Notice ID that you would like to submit a change in rights and privileges for"
- 25102(n): General Announcement required if 25102(n) is selected for "Please select the Notice ID that you would like to submit a change in rights and privileges for"

25121 – Recapitalization/Reorganization

Required Documents

- Application Facing Page
- Transmittal Letter

- Financial Statements
- Customer Authorization of Disclosure of Financial Records Form
- 260.121 Application for Qualification of Recapitalizations and Reorganizations

25142 – Fairness Hearing

Required Documents

- Transmittal Letter
- Financial Statements
- Notice of Hearing

Conditionally Required Documents

- Application Facing Page required if "Hearing authorized by Corp. Code section" is '3(a)(10) of the Securities Act of 1933'
- Customer Authorization of Disclosure of Financial Records Form required if "Hearing authorized by Corp. Code section" is '3(a)(10) of the Securities Act of 1933'
- 260.121 Application for Qualification of Recapitalizations and Reorganizations required if "Hearing authorized by Corp. Code section" is '3(a)(10) of the Securities Act of 1933'

25102.2 - Real Estate Related Information

Required Documents

- Application Facing Page
- Offering Disclosure Documents

25507(b) - Repurchase Offer

Required Documents

- 260.507 Application for Approval of Repurchase Offer
- Transmittal Letter
- Financial Statements

25131 - Non-Issuer Notification

Required Documents

- Application Facing Page
- Transmittal Letter
- Financial Statements - Audited or Reviewed
- 260.131 Application for Qualification of Nonissuer Transaction by Notification

- Financial Statements - Audited or Reviewed

25151 - Transfer of Securities

Required Documents

- Application Facing Page
- NASAA Form U-7 (SCOR)
- Statement of Transferee

25111 - Coordination

Required Documents

- Transmittal Letter
- Application Facing Page/Form U-1
- SEC Registration Statement
- Customer Authorization of Disclosure of Financial Records Form

25113(b)(2) - Small Company SCOR (U7)

Required Documents

- Application Facing Page
- NASAA Form U-7 (SCOR)
- Transmittal Letter
- Customer Authorization
- Financial Statements
- Prospectus-Offering Circular-Information Statement - Clean

25102(h)

Required Documents

- Opinion of Counsel
- Notice of Issuance

25102.1(a)

Required Documents

- SEC Reg A (Form 1-A) Tier 2

25102.1(d)

Required Documents

- Form D
- SEC Reg A (Form 1-A) Tier 2

25146 - Annual Report

Required Documents

- Semi-Annual Reports

25162 – Securities Post Effective Amendment

Required Documents

- Application Facing Page
- Transmittal Letter

25300 - Securities Advertisement

Required Documents

- Advertising

25113(b)(1) - Permit

Required Documents

- Application Facing Page
- Transmittal Letter
- Financial Statements
- Prospectus-Offering Circular-Information Statement (Clean)
- 260.113 Application for Qualification by Permit
- Customer Authorization of Disclosure of Financial Records Form

25112 – Issuer Notification

Required Documents

- Application Facing Page
- Transmittal Letter
- Customer Authorization
- 260.112 Application for Qualification of Issuer Transaction by Notification
- Financial Statements

260.141.50 - Removal of Conditions

Required Documents

- Application Facing Page
- Transmittal Letter
- 260.141.50 Application for Removal or Modification of Conditions

Requests

Request to be the Authorized Representative of an Organization

Basic Users and Authorized Representatives have access to request to be the authorized representative of an organization. Once the request is submitted, the DFPI will process the request, and if approved, will grant the user the rights of an Authorized Representative for the organization selected.

Once a user creates an account in FRANSES, as their first step, they should submit this request to associate their account with their organization so that they can submit filings on behalf of the organization.

If the user is unable to find their organization in the drop down on this form, they can create a new organization by following the steps below.

Create an Organization

Basic Users and Authorized Representatives have the ability to request that a new organization be created. Submitting this form sends the request to SRD who will review the request and create the organization. You will be notified when the request is complete.

FIL Org Creation:

When "Franchise" is selected for Primary Filing Law:

- Separate Organizations must be created in FRANSES if required by the NASAA Multi-Unit Commentary to separate offerings into separate FDDs. Thus, separate organizations must be created for each of the following offering types, selected in the "Offering Type" field:
    - Unit/Area Development

    - Subfranchise/Master Franchise
    - Area Representative
- In the "Brand(s)" field, select the primary trademark(s) used to identify the franchised business.

CSL Org Creation:

When "Corporate Securities" is selected for Primary Filing Law:

- Select the Securities Category of Offering as the category that best describes the offering in general.
    - The category selected will determine the options available under the Securities Type of Offering dropdown menu.
- Select the Securities Type of Offering as the type that best describes the specific security being offered.

Organization Legal Name Change Request

Delegated Users and Authorized Representatives have the ability to request a change to the legal name of an organization.

Inform the DFPI of a change to the legal name of an organization with this form. If the change is an entity change (i.e., a change to the tax ID, state of incorporation, change to the type of entity, etc.), a new organization will need to be created.

Update Organization Information Request

Basic Users can request to update the Primary Contact, Physical Address, and Mailing Address of an organization with this form. Authorized Representatives and Delegated Users can edit this information directly through Manage > Organizations (see the Managing Organizations section for more information).

Drafts

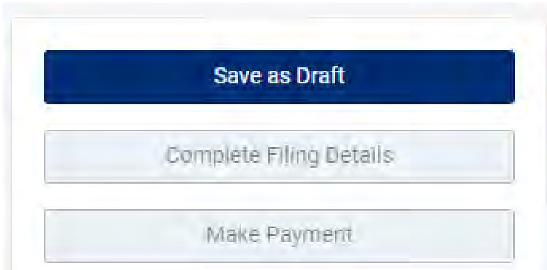
All unsubmitted filings will be listed on the FRANSES Homepage under "Unsubmitted Notices" and "Unsubmitted Applications." To submit the filing for processing, all mandatory fields must be completed, required documents uploaded, the filing needs to be marked as "Completed," and identified payments made.

Requests cannot be saved as draft and must be completed in one session.

Saving as a Draft

Step 1: Open any new filing or existing notice or application saved as a draft.

Step 2: After filling in any, all, or none of the fields, you should be able to select the "Save as Draft" button to the right of the notice or application.



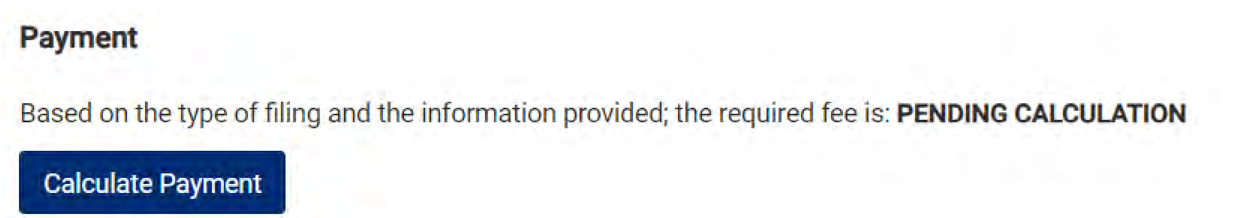
Step 3: A popup will appear to confirm the filing has been saved. The draft filing is saved under the listed reference ID.

Step 4: Select OK to close the popup.

NOTE: All unsubmitted filings will be listed on the FRANSES homepage under "Unsubmitted Notices" or "Unsubmitted Applications."

Calculating Payment

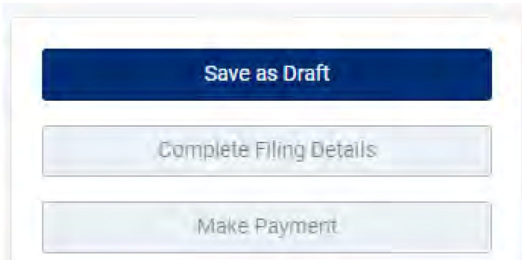
Payment is calculated on the form after the filing details have been entered. Payment on the calculated payment will be required before the filing can be submitted for processing by the DFPI.



Once all the filing details have been completed, navigate to the payment section and select "Calculate Payment." The amount owed for the filing will display.

If you make any updates to the filing information you have entered, you can select "Calculate Payment" again to recalculate the amount owed.

Finalizing Filing Details

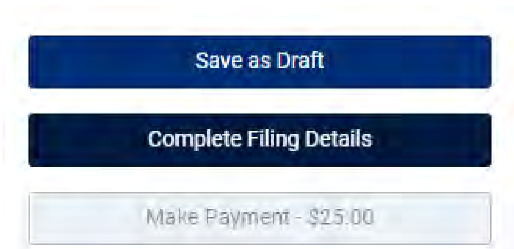


Step 1: Until all the required information for the filing is filled out, the "Complete Filing Details" and "Make Payment" buttons are not activated.

Step 2: Fill out all information on the filing.

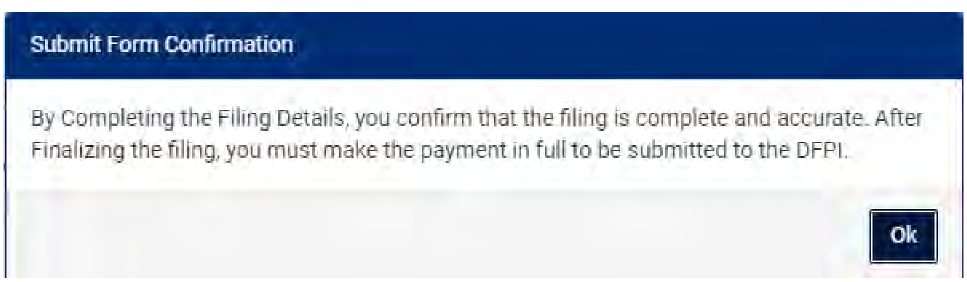
Step 3: Click "Calculate Payment."

Step 4: Select "Complete Filing Details."

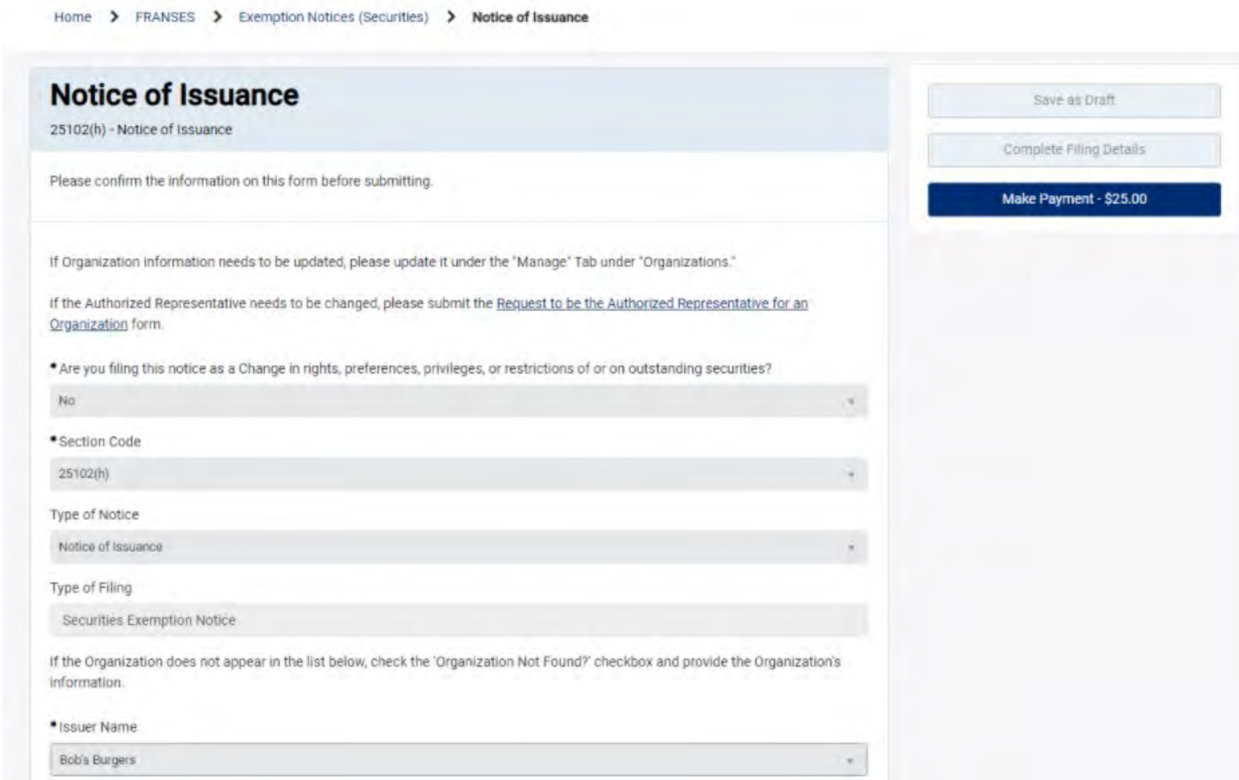


Step 5: Once the payment has been calculated, the "Make Payment" button will contain the payment amount.

Step 6: A popup will appear to confirm the information on the filing is complete and accurate. Select OK to close the popup and complete the filing.



Step 7: The page will reload, and all fields will be read-only. The "Make Payment" button will now be available.



Making a Payment

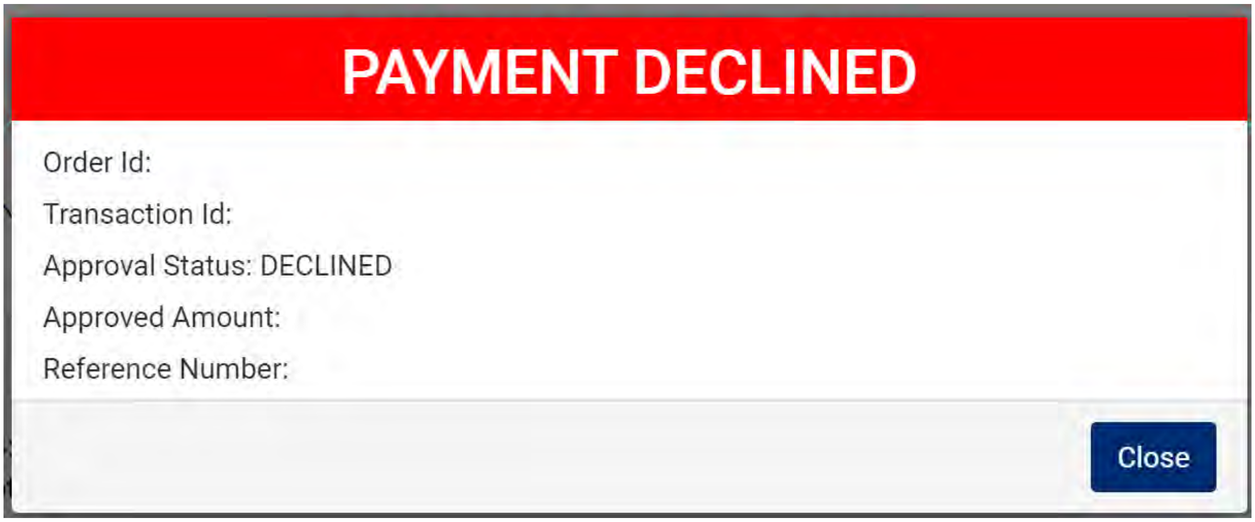
Step 1: Once the filing details have been finalized, select "Make Payment."

Step 2: A payment popup will display with the amount owed for the filing.

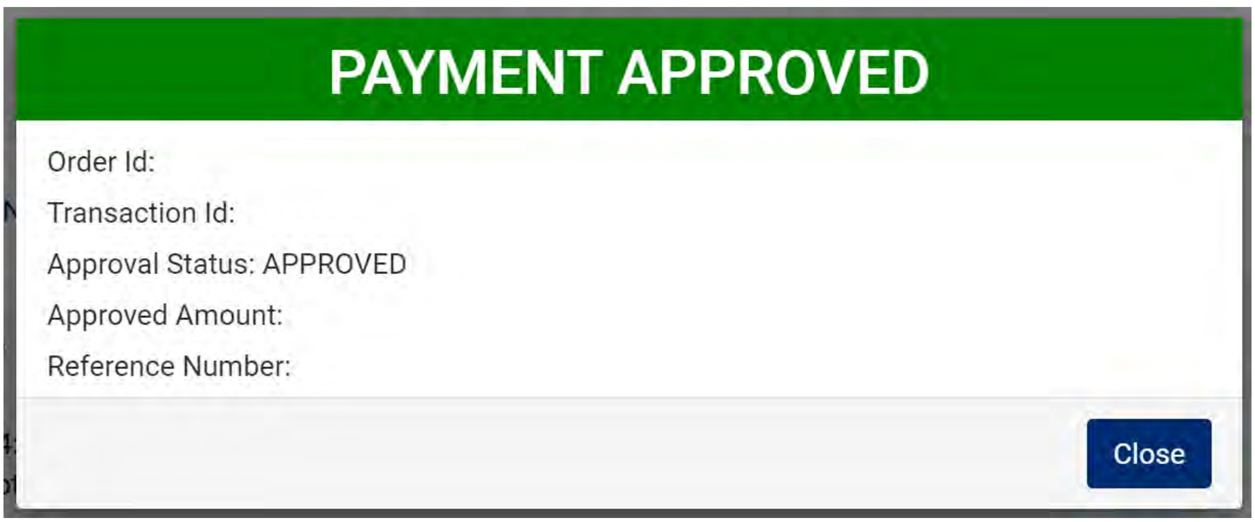
Step 3: Users can pay the amount owed using a credit card (see Credit Card section below) or ACH (see ACH section below).

Step 4: Once the information has been entered for the chosen payment method, select "Submit."

> 4a: If your payment is declined, the unsubmitted filing can be found on the homepage under "Unsubmitted Notices" or "Unsubmitted Applications" and a payment can be made later.

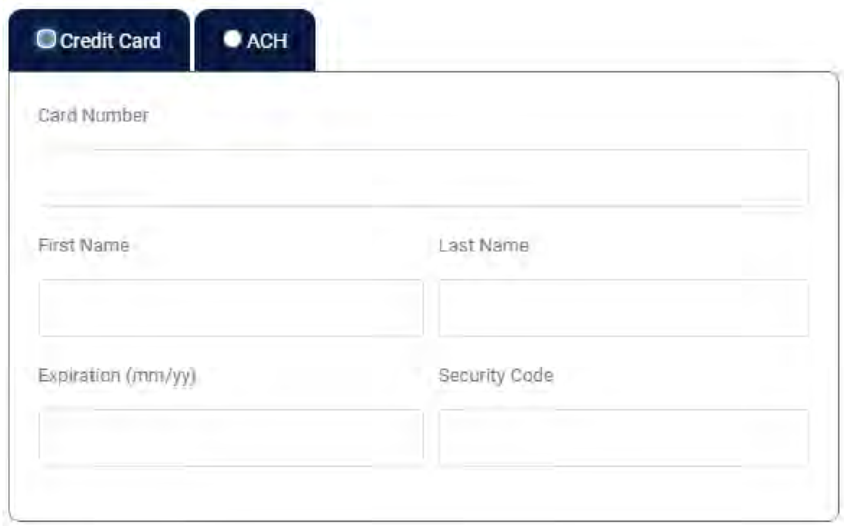


4b: If your payment is approved, the filing has been submitted and once the pop-up window has been closed, the screen will refresh and all of the information submitted will be visible.



Step 5: The filing is complete and paid, and no further action is needed.

Credit Card

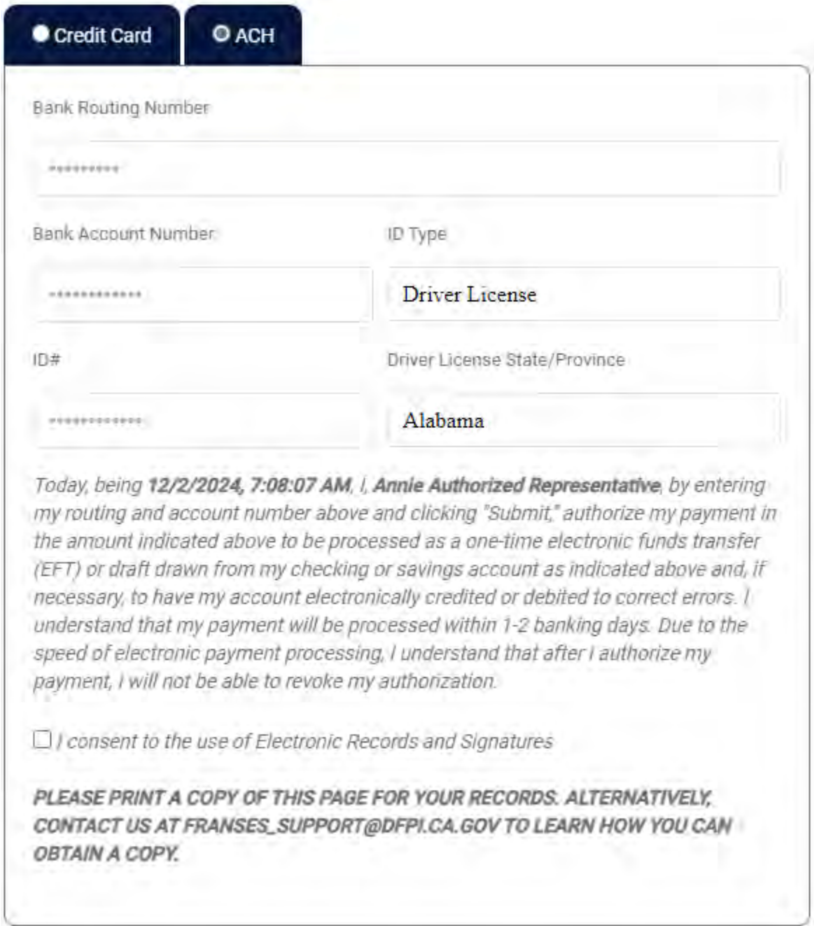


Step 1: Select the credit card tab on the payment window to pay the amount owed with a credit card.

Step 2: Enter your credit card information.

Step 3: Select submit to process the payment.

ACH



Step 1: Select the ACH tab on the payment window to pay the amount owed with a bank account.

Step 2: Enter your bank account information.

Step 3: Check the acknowledgement.

Step 4: Select submit to process the payment.

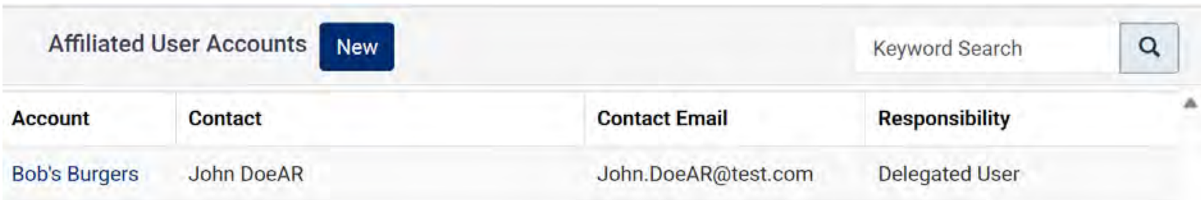
Managing Organizations

Some organization information such as Physical or Mailing address and Primary Contact information, can be updated via the “Manage” menu header, but only by the Authorized Representative or Delegated User of the Organization. Some fields are read-only and cannot be directly modified.

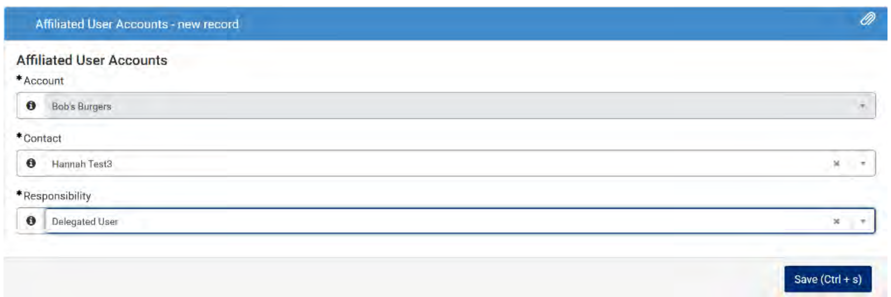
If you are a Basic User, you can submit an **Update Organization Information Request** form to request Organization information to be updated.

Delegated Users can view, and Authorized Representatives can add/edit the following information about Organizations:

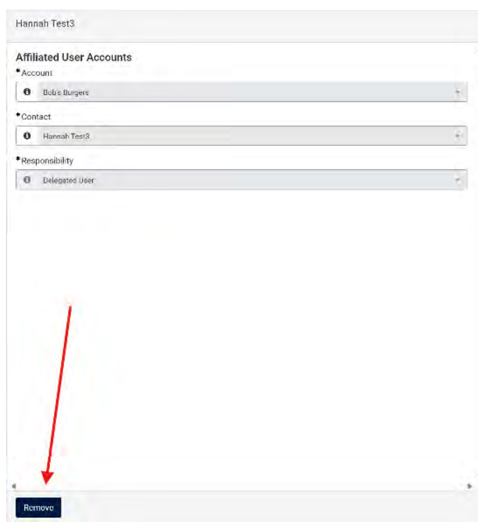
- **Affiliated User Accounts**



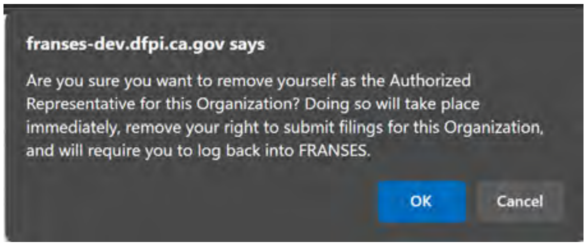
  - **Add Delegated Users** by clicking "New" and add the user's name and responsibility (Delegated User) and save.



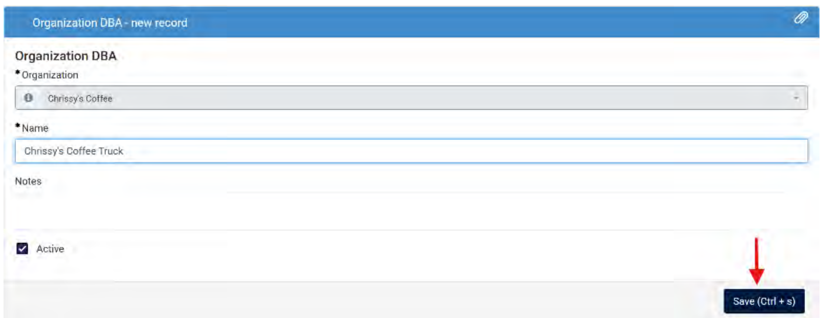
  - **Remove Delegated Users** by selecting the Delegated User and clicking "Remove" at the bottom of the screen.



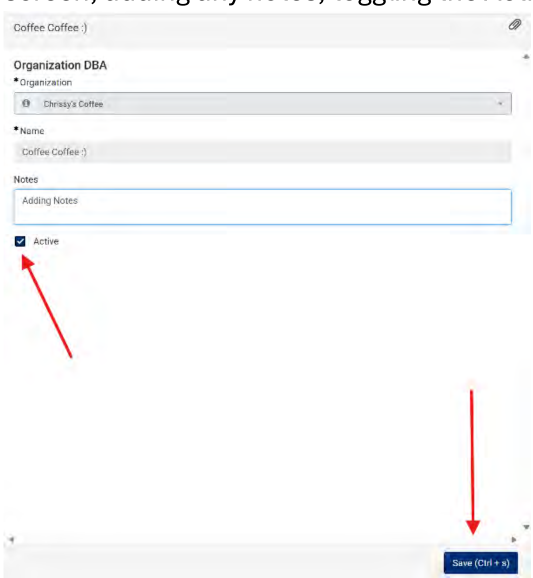
  - **Remove yourself as Authorized Representative** by selecting your own name from the Affiliated User Accounts on the left and clicking "Remove & Logout," then clicking “OK” from the pop-up.



- **Organization DBAs**
  - **Add DBAs** by clicking “New” and following the prompts on the form and saving the form.



  - **Deactivate DBAs and add Notes** by selecting the DBA name on the left side of the screen, adding any notes, toggling the Active checkbox, and saving.

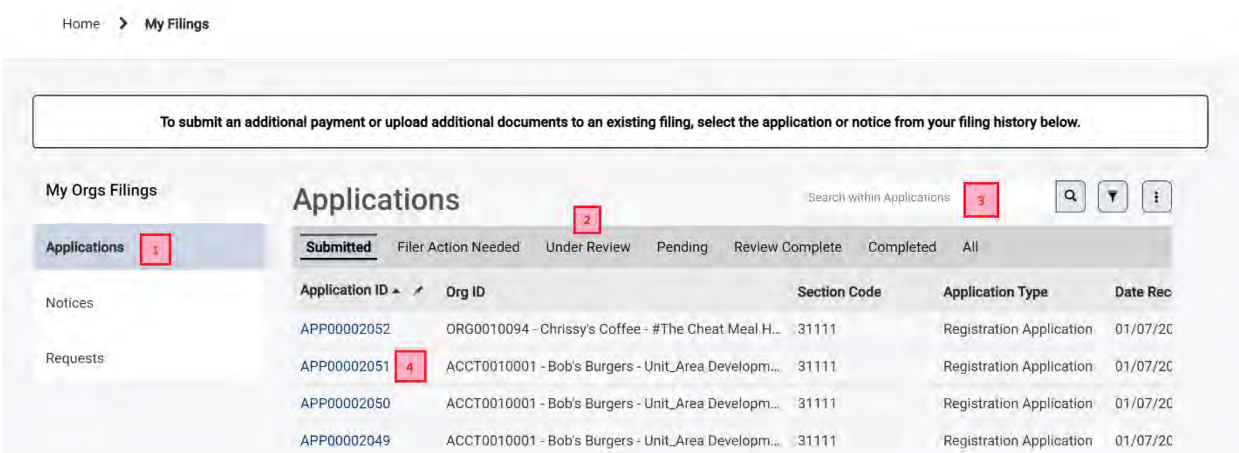


- **Organization NAICS Codes**
  - **Add NAICS Codes** by clicking “New” and following the prompts on the form and saving the form.
  - **Deactivate NAICS Codes or Update NAICS Codes** by selecting the NAICS Code on the left side of the screen, changing the NAICS Code and Title, toggling the Active

checkbox, and saving.

My Filings

Submitted filings can be viewed within the “My Filings” page.

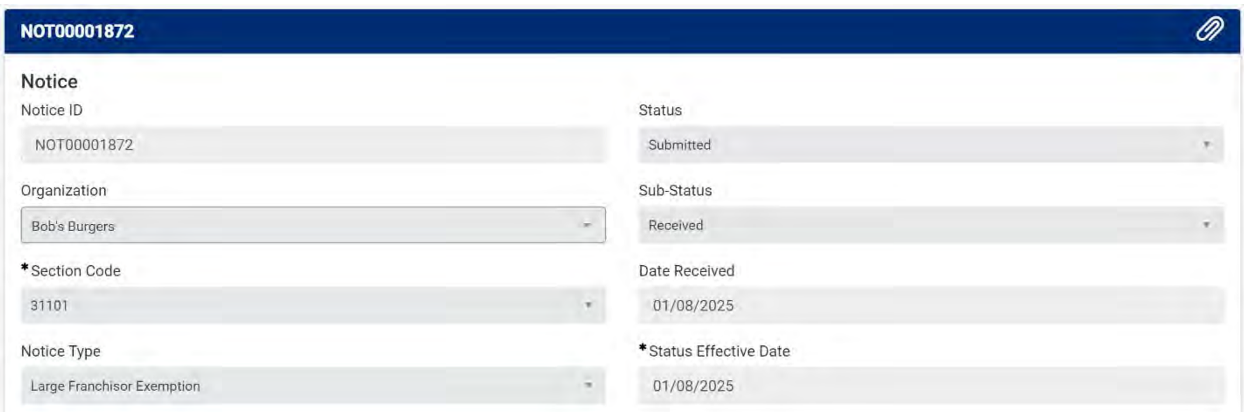


1. **Filing type filter panel:** Select “Applications,” “Notices,” or “Requests” to filter the list to show your organization’s Franchise or Securities Applications, Notices, or Requests.
2. **Status filter:** Select one of the status filters in the dark grey bar at the top of the list to filter the list to only show filings that are in a specific status. Selecting “All” will show all filings regardless of status.

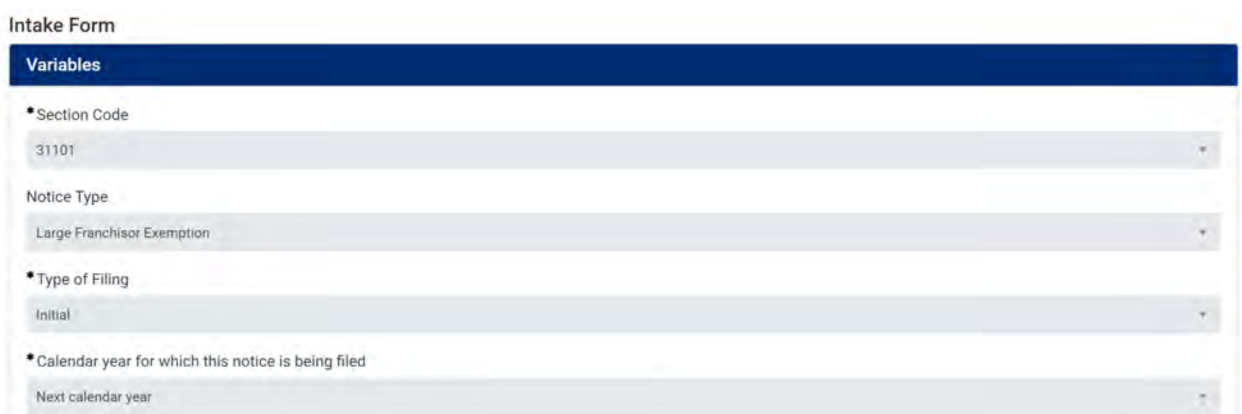
3. **Search bar:** Search for the Application ID (or Notice or Request ID) in the search bar on the Application list (or Notice or Request). This can be a quick way to find a filing if you are unsure what its status is.
4. **Link to filing:** Select the blue ID # for your filing to open up the filing to review your submission, review your payment, add comments, add attachments, etc.

View Filing Details

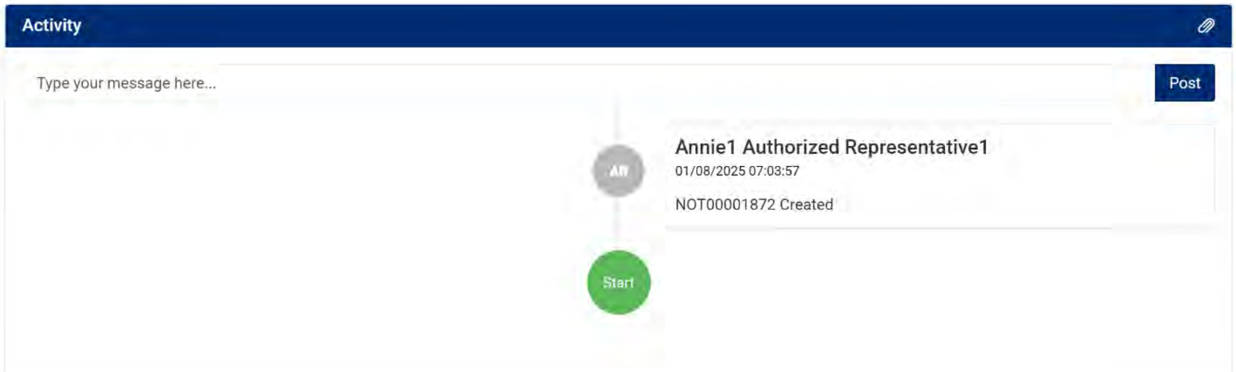
View your filing details after clicking the link to the filing from the My Filings view.



The top section will contain information such as the Organization, Section Code, Status, Sub-Status, and Status Effective Date.



The Intake Form section contains all the information submitted with the filing.

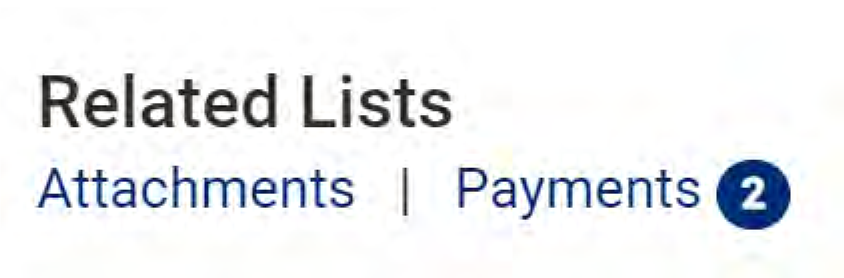


The Activity section contains any comments or attachments added by yourself or by SRD.

Commenting or adding additional Attachments

At certain times, you may be asked to provide additional details or attachments for submitted filings. You can add additional comments from within the "Activity" Section of the filing when accessed via the "My Filings" page.

Additional attachments requested by the DFPI can be attached using the paperclip icon.



The Related Lists section will allow you to review any Approved OR Declined payments that have been made on this filing.

Notifications

You will receive email notifications to the email that you provided during User Account Setup from the FRANSES System after the following events:

Registration

- Email Verification
- Initial Password Reset

Password Reset

- Change Password Email Verification

Filings

- Filing (Application or Notice) Submission
- Filing set to “Filer Action Needed” State
- Filing (Application or Notice) is set to “Effective” State
- Filing (Application or Notice) is set to “Cancelled” State
- Request Submission
- Request Additional Comments added
- Request Cancelled
- Request Completed

Questions?

For questions related to submitting franchise and securities filings through FRANSES, please contact us by email at FRANSES_Support@dfpi.ca.gov, or contact us toll-free at (866) 275-2677 or (916) 445-7205.

For general DFPI inquiries, please contact us at Ask.DFPI@dfpi.ca.gov.