

The Secretary
Parliamentary Joint Committee on Corporations
and Financial Services.
Department of the Senate
PO Box 6100 Parliament House
Canberra ACT 2600

August 21, 2008

Submission for the Inquiry into the Franchising Code of Conduct

I am a former Franchisee of the [REDACTED] Franchise.
We recently terminated our deed of Franchise with the Franchisor
due to eight breaches of the Franchising Code of Conduct.

I was issued with a notice of dispute from the Franchisor and I was
willing to attend mediation with them, but all our attempts to
arrange dates for mediation were in vain. All we heard from the
Franchisor was silence.

I will never buy into another Franchise for the experience of the
[REDACTED] franchise has not been a very good one.
[REDACTED] Franchisor are financial ruining people's lives,
people with dreams and aspiration for a better life.
All [REDACTED] Franchisees have received from the Franchisor is broken
promises and a feeling of being cheated by the Directors of the
Franchisor [REDACTED], [REDACTED] and the CEO [REDACTED].

There needs to be more protection for Franchisees under the
Franchising Code of Conduct and the Trade Practices Act.

The CEO of the [REDACTED] Franchise [REDACTED]
was even pretending to be a Partner and Director of the Franchise,
when all he really was is a paid by the hour consultant. [REDACTED] is
also on the Board of the [REDACTED] and is
Chairman of the Queensland Chapter of the [REDACTED]
[REDACTED]. He has never been a Partner or Director of the [REDACTED]
[REDACTED] but on the [REDACTED] Website

[REDACTED] Bio listed him as a partner and Director of the Franchise. This was until we informed the [REDACTED] [REDACTED] of the major error on [REDACTED] Bio. There had been Franchisees who had bought into the franchise on the back of [REDACTED] [REDACTED] being a director of the Franchisor. But this just turned out to be more lies by [REDACTED], [REDACTED], and [REDACTED].

I thought with [REDACTED] being part of the [REDACTED] [REDACTED] this would have been a Franchise that was run correctly by the law under the Code of Conduct, also [REDACTED] husband [REDACTED] [REDACTED] is a Barrister here in Queensland these are two main points that the Franchisors should of known all the laws to comply with under the Code of Conduct and the Trade Practices Act.

The fact with one of the Directors Husband being a Barrister had been used in the past as a point of stopping people from challenging the Franchisors on points of issue, for the cost of legal action was always cheaper for the franchisor then the franchisee.

Below are the listed Breaches of the Franchising Code of Conduct By the Franchisor [REDACTED]

Directors [REDACTED], [REDACTED] & [REDACTED].

Failure to create a Disclosure Document for the Franchisee as required by 6(1) of the Code.

1. A breach of clause 6(2)(a) in that the solvency statement is not for last financial year.
2. Failure to provide financial reports for each of the last two completed financial years.
3. A breach of clause 6(2)(c) in that the disclosure document was unsigned.
4. A breach of clause 6(b) in that the disclosure document was not current.

5. A breach of clause 6(b) & 10 of the Code was not given to the prospective Franchisee by the Franchisor.
6. The Franchisor entered into the Franchise agreement when clause 11(1) of the code had not been complied with in that the franchisor has not received from the franchisee a written statement by the franchisee that it had
7. Received, read and had a reasonable opportunity to understand the disclosed document and the code.

The franchisor entered into the franchise agreement when clause 11(2) of the code had not been complied with in that the Franchisor had not received signed statements from any of an independent legal advisor, an independent business advisor, independent accountant, nor received a signed statement from the franchisee that the franchisee had been given that kind of advice or been told that advice or been told that such advice be sought and decided not to seek it.

Additional complaints refer to misrepresentation, fraud, breach of copyright and unconscionable conduct.

1. There is systemic conduct by the franchisor where mandatory payments are taken for such things as training (\$8,800) and legal costs (\$2,200). Training is either not provided or a minimal portion of the allotted time for training is provided. Repeated requests for the completion of training have been ignored.
2. The franchisor has ignored repeated requests to supply an invoice for its legal costs paid for by us at the time of entering the franchise.
3. The franchisor has placed franchisees in breach of copyright relating to the sale of programs to franchisees where the franchisor does not hold the copyright
4. The franchisor has ignored requests to provide information to resolve complaints relating to the management of the National Promotional Fund that receives contributions on a weekly basis from the franchisee network. Copies of invoices and statements attributed to the Fund by the franchisor have been requested but those requests have been ignored
5. Third Line forcing – Mandatory Supply of Products

Franchisees are forced by the franchisor to purchase equipment from the franchisor at grossly inflated prices

Yours Sincerely,

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Attachments contained are supporting documentation.