

[REDACTED] (SEN)

From: Norman Topp [REDACTED]
Sent: Friday, 12 September 2008 1:51 PM
To: Committee, Corporations (SEN)
Cc: Helen Topp
Subject: [REDACTED]

Dear Sirs,

I have been a franchisee of [REDACTED] for the past 5 years. During that time I have witnessed disgraceful behaviour from the Franchisor toward its Franchisees. This ranges from the reckless expansion by the Company in placing new outlets in places where there would be no hope of success. The traditional outlets work better in high flow customer presence. Often new shops were placed on "street strips" where the flow of potential customers is much less. The game it seemed, was to build the amount of shops so that a high sale price for the Company could be attracted. Many of the "Street strip shops have closed" in shopping malls, franchisees are walking away from their business. This amounted to losses by the Franchisee's upward of \$250,000.

During [REDACTED] time as CEO, he showed blatant disrespect to Franchisees, not listening to recommendations from the Franchise Advisory Council, Not responding to their submissions but rather stripping of what monies he could take to improve the bottom line of the Company.

An example is when the then CEO [REDACTED] increased the marketing fund from 2% to 3% without proper consultation or procedure and broke agreements that were in place, ignoring the complaints of the Franchisees and their Legal Representatives. I was caught in this, having argued with the Company since November 2006. All letters sent to them have been ignored. The reason they ignore the letters of course is that they know they were wrong in their actions, and to acknowledge to me their error they would have to refund a large amount to those in a similar situation.

I have refused to pay the increase of 1% to the marketing fund and will not move on with any of their requests regarding other matters until this is resolved. My agreement is available for you should you wish to confirm my assertions.

The franchisor should be held responsible for actions that adversely affect the franchise, in fact a "duty of care" should apply to all Franchisees by the Franchisor.

No doubt you will receive complaints from other [REDACTED] unhappy Franchise owners, they I am sure will cover other problems regarding this particular Company.

Thank you

Yours truly

Norman Topp
[REDACTED]

[REDACTED] Mobile

[REDACTED] Home
[REDACTED]
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