

2860.1600 CONSOLIDATED STATEMENTS.

Financial statements filed in accordance with the provisions of this chapter shall generally be prepared on a consolidated basis when the franchisor has a "controlling financial interest" in its subsidiary or subsidiaries as those terms are understood under generally accepted accounting principles.

The consolidated financial statements of a franchisor's parent company shall be accepted only when either the parent company guarantees to assume the duties and obligations of the franchisor under the franchise agreement should the franchisor become unable to perform the duties and obligations; or, the parent company posts a surety bond in the amount of the initial franchise fee charged each franchisee conditioned upon the fulfillment of the franchisor's duties and obligations under the franchise agreement.

Statutory Authority: *MS s 80C.18*

Published Electronically: *September 14, 2007*