



**MEMO**

**TO:** House Regulatory Reform Committee

**FROM:** Michigan Retailers Association

**SUBJECT:** HB 5465

**DATE:** September 12, 2012

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Michigan Retailers Association is the unified voice of Michigan's retail industry and represents more than 12,000 stores across the state. Michigan Retailers has been asked to provide comment on HB 5465.

Our membership consists of both franchisors and franchisees and we have not received any complaints from our membership indicating that the subject of HB 5465 is a pervasive problem requiring a broad legislative solution. HB 5465 is contrary to free market principles. It interjects government into private contracts and it threatens to dilute franchise brands.

Governor Snyder has said that reducing government regulations is a priority of his administration. HB 5465 adds additional government regulation on private businesses by determining what they can and cannot include in a private, business contract. A franchise by definition is the right or license granted to an individual or group to market a company's goods or services in a particular territory. In order to market a brand, franchises must offer the same product and experience customers expect from that brand. Limiting a franchisor's ability to contract with a franchisee puts the brand, the company, and franchisee's success at risk.

Thank you,

A handwritten signature in black ink, appearing to read 'William J. Hallan'.

William J. Hallan  
Vice President Government Affairs and General Counsel  
Michigan Retailers Association