

Introduction to the 2026-2027 Edition

The 2026-2027 Edition of ***Franchise and Distribution Law and Practice*** offers detailed explanations of key franchise and distribution agreements; provides forms for offering circulars, franchise and distribution agreements, litigation, trademark infringement and real estate issues; has a special chapter devoted to termination and non-renewal of franchise disputes; contains detailed explanations of FTC rules plus state registration and disclosure statutes, and provides in-depth treatment of specialized industries.

The following are some of the many new discussions included in this 2026-2027 Edition of *Franchise and Distribution Law and Practice*:

- Community of Interest and the State Equipment Dealer Statutes—Discussion of the 2025 case *North-east Emergency Apparatus LLC v. Mine Respirator Company LLC* from the District of Maine. A community of interest may be established from the distributor’s financial investment in the franchise, the duration of the manufacturer-distributor relationship and the type of demands the manufacturer places on the distributor. A distributor that had invested time and money in the supplier’s inventory, marketing materials, outreach events and employee training, and had spent to build the supplier’s goodwill and brand, had alleged a community of interest under the Maine Power Equipment, Machinery and Appliances Law; safety equipment powered by batteries satisfied that statute’s definition of “goods.” (§§ 5:4, 16:6)
- Definition of a Franchise, Significant Control or Assistance—Coverage of the 2026 case *Mi-BOX of North Florida, LLC v. Mi-BOX Florida, LLC* from the District of New Hampshire, which is now discussed in all three volumes. A franchisor that required the franchisee to purchase equipment from it, display the franchisor’s trademark on all systems and containers, make minimum purchases and use recommended vendors exercised significant control, and operating manuals, software, access to the website, operations

training and container assembly instructions supplied significant assistance. The relationship was therefore a franchise under the FTC Rule. The court separately dismissed a claim that the failure to supply a franchise disclosure document violated the Florida Deceptive and Unfair Trade Practices Act, absent allegations of detrimental reliance. (§ 5:12)

- **Fraud Distinguished from Breach of Contract, and the FTC Rule as an Independent Duty**—Substantially expanded treatment of *DG Gas, LLC v. TA Franchise Systems LLC*, the 2025 Northern District of Ohio decision first noted in the 2025-2026 Edition, which is now discussed in 10 sections across Volumes 1 and 2. Although the Ohio economic loss rule ordinarily bars a fraud claim founded on a misrepresentation that is itself a contractual provision, the FTC Franchise Rule establishes an independent federal duty to make certain disclosures in a franchise disclosure document, and a fraud claim that duplicated contractual duties was therefore sustained. The decision also supports new discussions of the special relationship that permits a negligent misrepresentation claim where a disclosure document identifies the prospective franchisee as a person of a limited class intended to be guided by its information; of the inability of an integration clause and disclaimers to defeat justifiable reliance where the alleged misrepresentations were made outside the disclosure document; and of waiver, promissory estoppel and the implied duty of good faith in connection with a store opening date. (§§ 8:20, 8:23, 8:29, 9:4, 9:14, 9:15)
- **Law of Torts and Franchising, Promises and Predictions**—Expanded discussion of when a forward-looking statement becomes actionable, drawing on the 2025 case *Pool Scouts Franchising, LLC v. Stuart Road Corp.* from the Eastern District of Virginia. A prediction of future events is actionable where it is so intertwined with direct representations of present fact that the whole statement amounts to a representation of fact, or where the speaker purports to have special knowledge of facts that will occur. Statements by a franchisor's president that its franchises were profitable were accordingly treated as representations of present fact rather than as forecasts. The same decision is now also treated at §§ 7:50, 8:57 and 9:32, on the specificity required to plead the trade secret status of a customer list and on the showing required for irreparable harm. (§ 9:7)

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- State Automobile Dealer Acts, Definitions—New discussion of what constitutes a “line make” and a “franchise,” based on the 2025 case *MD Auto Group, LLC v. Nissan North America, Inc.* from the Northern District of Ohio. An addendum to a dealer agreement authorizing the sale of specified vehicles was neither a line make nor a franchise within the meaning of the Ohio Motor Vehicle Dealer Act, because it did not fix the rights of the manufacturer and the dealer as to that line but merely designated additional vehicles that could be sold under the existing franchise. The manufacturer’s discontinuance of the line was therefore not a termination without cause, and the manufacturer did not act in bad faith because it acted within its contractual rights and for reasonable reasons. (§ 14:24)

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