

Maryland Franchise Disclosure Document (FDD) Renewal
Fast-Track Review Pilot Program (Fast-Track Program)
FAQs

This version of the Fast-Track Program FAQs was updated on 12/18/2025 with respect to the following questions: 1, 3, 4 and 7.

This version supersedes the Fast-Track Program FAQs previously issued on 10/8/2025. As these FAQs may be updated from time to time, please check the Maryland Securities Division website for the latest version (<https://oag.maryland.gov/i-need-to/Pages/securities-division.aspx>).

I. Goals

1. What is the goal of the Fast-Track Program? What is the scope of the issue that is being addressed?

The Fast-Track Program allows eligible franchisors to file their renewal application by February 1, in accordance with the Fast-Track Program Guidelines, and to cure any deficiency comments from the Securities Division and obtain pre-clearance in advance of the April 10 deadline for incorporating Item 21 into the FDD.

The goal of the Fast-Track Program is to encourage franchisors to submit renewal applications earlier in the year, thereby reducing the volume of applications the Securities Division receives between March and May and enabling franchisors' renewal filings to be registered earlier in the year. During the springtime, when there is a high volume of franchise renewals and exemptions due, the Securities Division may experience additional review delays because of the substantial number of initial franchise registration applications, as illustrated below by the annual statistics of total franchise applications.

In 2025, 1,884 franchise applications were filed in Maryland through September 30, 2025. Of these, fewer than 0.1% were filed in January and February and 72% were filed from March through May 2025 (41% filed in April 2025 alone).

In 2024, 1,954 franchise applications were filed in Maryland. Fewer than 0.1% were filed in January and February and 65% were filed from March through May 2024 (35% filed in April 2024 alone).

2. Are there other methods – in lieu of or in addition to the Fast-Track Program – to achieve similar objectives? For example, only reviewing the blacklined changes in the filing.

For renewal applications, examiners focus their review primarily on the blacklined changes, but they are not limited to only reviewing or commenting on the changes. Examiners review the full disclosure describing the franchise system as a whole. In certain situations, such as heavily blacklined FDDs, new industry guidance or emerging issues, examiners may need to review the clean copy of the FDD and issue comments on disclosure that was previously included in the FDD.

II. Eligibility

3. Who is eligible to participate in the Fast-Track Program?

To be eligible for the Fast-Track Program, the franchisor's FDD must be currently registered in the State of Maryland at the time of filing the franchise renewal application (February 1 deadline), and the franchisor must have a fiscal year ending between December 24 and January 7. The franchisor must not be subject to a pending investigation or enforcement matter with the Securities Division at the time of application or during the duration of the fast-track review.

The Fast-Track Program is available for franchise renewal filings only. While the program is not available for franchise exemptions or for initial or initial refile filings, franchisors submitting exemption filings are encouraged to submit their applications as early as possible to avoid delays later in the review cycle. The Securities Division reserves the right to reject or remove a franchisor's filing from the Fast-Track Program at any time.

4. What happens if the franchisor is removed or rejected from the Fast-Track Program or fails to meet any of the deadlines?

If the franchisor is removed from or not accepted into the Fast-Track Program for any reason, or fails to meet any of the filing deadlines, the Securities Division will issue a comment letter to notify the franchisor that the renewal filing is no longer being reviewed in the Fast-Track Program and that the franchisor must cure the FDD through the regular renewal process.

As a reminder, FDDs in the regular review queue must contain all required disclosures (including Item 21) to be considered complete. Franchisors must not re-submit an FDD that was removed from or not accepted into the Fast-Track

Program until all disclosures, including Item 21, have been incorporated into the FDD. No additional filing fees or forms will be due beyond what was required at the time of application for the Fast-Track Program.

III. Filing Logistics

5. What is the fee for the Fast-Track Program and when is it paid?

There is no additional fee for the Fast-Track Program; franchisors are required to pay the regular \$250 renewal fee at the time they initially submit the renewal application for the Fast-Track Program.

6. How is the application for the Fast-Track Program submitted?

The application for the Fast-Track Program must be submitted either electronically via NASAA's Franchise Electronic Depository (FRED) at <https://www.nasaaefd.org/> or as PDF files on a CD-ROM mailed to the Securities Division at Maryland Office of the Attorney General, Securities Division, 200 St. Paul Place, Baltimore, Maryland 21202.

7. What issuance date should be included on the FTC cover page of the FDD?

The issuance date should be left blank on the FTC cover page and on the Receipts page on the FDD that is filed by the February 1 deadline. The issuance date is not required to be populated until the franchisor files the updated FDD that incorporates the Item 21 financial statements and any related disclosure updates (the "Completed Renewal FDD"), which must be filed no later than April 10.

8. Is the FDD filed by the initial Fast-Track Program deadline allowed to contain bracketed or blanked out information?

The Fast-Track Program is geared towards franchisors that are able to file their renewal FDD early and can thus benefit from an expedited review process. The FDD that is filed by the February 1 deadline as part of the Fast-Track Program should be complete and in near-final form, apart from Item 21 disclosures and any subsequent developments that could not have been known at the time of submission of the filing. If the franchisor is not in a position to include certain required information in the FDD initially, such as an amount that is still being finalized, the franchisor may include an approximation and briefly explain in the

cover letter the circumstances and that the amount will be updated in the Completed Renewal FDD.

9. If there's a change that requires an amendment to last year's FDD, will the franchisor be allowed to make a post-effective amendment to last year's FDD while the FDD application under the Fast-Track Program is pending?

Yes, if there are material changes to information disclosed in a currently registered FDD, the franchisor should make a post-effective amendment application. If the franchisor files electronically via the FRED portal, the franchisor can file a post-effective amendment application via FRED, submitting the \$100 filing fee and all required amendment documents. If the franchisor files via mail, the franchisor can mail the \$100 filing fee and required amendment documents, in PDF format, on a CD-ROM to the Securities Division at Maryland Office of the Attorney General, Securities Division, 200 St. Paul Place, Baltimore, Maryland 21202. All updates reflected in a post-effective amendment should also be reflected in the Fast-Track Program FDD application.

10. What is the franchisor required to submit for the Fast-Track Program by each deadline?

Failure to adhere to any deadlines or to include required documents will result in the loss of eligibility for the Fast-Track Program. Please note the submission instructions and deadlines from the Fast-Track Program Guidelines, which are summarized below.

By February 1, the franchisor must submit: (i) a cover letter that indicates the franchisor is opting into the Fast-Track Program; (ii) all forms required to be filed with the Securities Division as part of the renewal application, excluding the Consent of Accountant (Form F) and the Certification section of the Uniform Franchise Registration Application (Form A); (iii) the clean FDD; (iv) the full Marked FDD blacklined against the currently registered FDD in Maryland; and (v) the \$250 franchise renewal fee.

By April 10, the franchisor must submit: (i) the full clean Completed Renewal FDD (as defined in the question above); (ii) the Marked Pages of the Completed Renewal FDD blacklined against the last version reviewed by the Securities Division; (iii) the Consent of Accountant (Form F); and (iv) the Certification section of the Uniform Franchise Registration Application (Form A). If there are significant material changes outside of Item 21 in the Completed Renewal FDD, the Securities Division reserves the right to remove the filing from the Fast-Track Program and to review

the filing as part of the regular renewal review process in the order in which it enters the review queue.

Between the first FDD submission as part of the Fast-Track Program and the Completed Renewal FDD submission, the franchisor must adhere to any deadlines set forth in Securities Division comment letter(s) to cure any deficiencies.

IV. Review Process

11. What are “significant material changes outside of Item 21” that trigger removal from the Fast-Track Program?

The Securities Division will consider the totality of the circumstances to determine if changes to the FDD after the initial review are significant material changes, with the dual aims of enabling the Fast-Track Program to run efficiently and to prevent abuse of the Fast-Track Program.

The Securities Division will consider factors such as:

- whether the franchisor could have anticipated the change(s) before initially submitting the renewal FDD;**
- the substantive nature of the changes and/or whether the changes may fundamentally alter the franchise offering;**
- whether the changes warrant enhanced disclosure;**
- the number of changes made;**
- other factors that may be considered relevant at the discretion of the Securities Division.**

12. Certain required disclosures in the FDD rely on a completed audit for verification (e.g., Items 8, 11 and 19). Further, franchisors must disclose certain information that cannot be known at the time the franchisor initially submits its FDD as part of the Fast-Track Program (e.g., Item 20 – disclosure of franchisees with whom the franchisor has had no contact in the 10 weeks preceding the filing). Could a franchisor update those Items in the Completed Renewal FDD?

Yes, the franchisor may update, as needed, the amounts disclosed in the FDD after receiving the audited financial statements and may update other necessary information, such as the exhibits for Item 20 disclosure. The Securities Division may issue deficiency comments or require enhanced disclosure based on the updates.

13. What is the extended response filing deadline? How will I know if I may take advantage of it?

At the Securities Division's discretion, franchisors with minimal comments may not be required to file an updated FDD addressing the Securities Division's comments prior to April 10. If eligible for this extended response filing deadline, the franchisor will be explicitly notified in the deficiency letter of the Securities Division's waiver of the pre-clearance deficiency cure deadline, and the franchisor would address any remaining deficiency in the Completed Renewal FDD by April 10, rather than in an interim filing prior to April 10.

14. It is generally understood that once a franchisor issues a new FDD each year, the previous year's FDD that was issued (under the FTC Amended Franchise Rule) or registered (under a state law) is now obsolete. While this almost final FDD that is filed in Maryland by February 1 would have everything in place for the coming year (except the financial statements), would the franchisor need to stop selling franchises in other states, and Maryland, after this FDD is filed in Maryland?

The franchisor and its attorney should review the requirements in the relevant jurisdiction(s) to determine if the franchisor should offer and sell franchises using its previous year's registered FDD between the time it initially submits its renewal FDD for pre-clearance via the Fast-Track Program and the time that its Completed Renewal FDD is registered. Whether a franchisor is participating in the Fast-Track Program or not, a franchisor should conduct a materiality analysis before using an FDD to offer or sell franchises.