

**EXPLANATORY STATEMENT AND STATEMENT OF NON-PREJUDICE
PREPARED PURSUANT TO SECTION 36b-62(g) OF THE CONNECTICUT
BUSINESS OPPORTUNITY INVESTMENT ACT**

(Name of Seller) _____ of

(Address of Seller) _____

submits that it has offered to sell, or sold, business opportunities without compliance with the registration provisions of Chapter 672c of the Connecticut General Statutes, the Connecticut Business Opportunity Investment Act (the "Act").

This document is being prepared for presentation to each purchaser-investor to whom a business opportunity was sold in violation of the Act. The purpose of this document is to provide purchaser-investors with the appropriate disclosure information and to inform purchaser-investors of their rights and remedies under the Act. The following Explanatory Statement describes the remedies provided to purchaser-investors under Section 36b-74 of the Act.

EXPLANATORY STATEMENT

Sec. 36b-74. (Formerly Sec. 36-517). Contracts voidable, when. Purchaser-investor's remedies.

(a) If a business opportunity seller uses any untrue or misleading statement in the sale of a business opportunity, or fails to give the proper disclosures in the manner required by section 36b-63, or fails to deliver the equipment, supplies or products or render the services necessary to begin substantial operation of the business opportunity within forty-five days of the delivery date stated in the business opportunity contract, or if the contract does not comply with the requirements of section 36b-66, then within two years of the date of the contract, upon written notice to such business opportunity seller, the purchaser-investor may void the contract and shall be entitled to receive from such business opportunity seller all sums paid to such business opportunity seller. Upon receipt of such sums, such purchaser-investor shall make available to such business opportunity

seller at such purchaser-investor's address or at the places at which they are located at the time notice is given, all products, equipment or supplies received by such purchaser-investor. Purchaser-investors shall not be entitled to unjust enrichment by exercising the remedies provided in this subsection.

(b) Any purchaser-investor injured by a violation of sections 36b-60 to 36b-80, inclusive, or by a business opportunity seller's breach of contract subject to said sections or any obligation arising therefrom may bring an action for recovery of damages, including reasonable attorney's fees.

(c) Upon complaint of any person that a business opportunity seller has violated the provisions of sections 36b-60 to 36b-80, inclusive, the superior court for the judicial district in which either the seller or purchaser-investor is located or the superior court for the judicial district of Hartford shall have jurisdiction to enjoin the defendant or defendants from further violations.

(d) Any purchaser-investor who is damaged by any violation of sections 36b-60 to 36b-80, inclusive, or by a seller's breach of the contract for the business opportunity sale or of any obligation arising therefrom may bring an action against the bond or trust account provided for in section 36b-64 to recover damages suffered.

(e) The rights and remedies provided by sections 36b-60 to 36b-80, inclusive, shall be in addition to any other rights or remedies provided by law or equity.

(f) Every cause of action under sections 36b-60 to 36b-80, inclusive, shall survive the death of any person who might have been a plaintiff or defendant.

(g) No person may sue under this section more than six years after the contract of sale.

(h) No person who has made or engaged in the performance of any contract in violation of any provision of sections 36b-60 to 36b-80, inclusive, or any regulation or order adopted or issued under said sections, or who has acquired any purported right under such contract with knowledge of the facts by reason of which its making or performance was in violation, may base any cause of action on the contract.

(i) Any condition, stipulation or provision binding any person acquiring any business opportunity to waive compliance with any provision of sections 36b-60 to 36b-80, inclusive, or any regulation or order adopted or issued under said sections is void.

A statement containing other material facts relating to the sale or offer for sale of this unregistered business opportunity is attached hereto as Exhibit A.

The most recent balance sheet and income statement of the seller is attached hereto as Exhibit B.

Type in Name of Seller

(Signature of Executive Officer of Seller)

(Print Name of Executive Officer of Seller)

**Subscribed and sworn to before me
this _____ day of _____, _____.**

Notary Public
My Commission Expires: _____

STATEMENT OF NONPREJUDICE

The undersigned purchaser-investor, to whom a business opportunity was sold without compliance with the registration provisions of Chapter 672c of the Connecticut General Statutes, the Connecticut Business Opportunity Investment Act, represents as follows:

- 1. I have read the Explanatory Statement accompanying this Statement of Nonprejudice;**
- 2. I am satisfied that I will not be defrauded, damaged or prejudiced by the postsale registration of this business opportunity; and**
- 3. I understand that, by signing this Statement of Nonprejudice, I have not waived any of my rights under the Connecticut Business Opportunity Investment Act.**

Name

Address

Telephone Number

Signature of Purchaser-investor

Date

**POST-SALE REGISTRATION CERTIFICATION BY BUSINESS OPPORTUNITY
SELLER**

The undersigned seller of business opportunities, having applied for post-sale registration under Section 36b-62(g) of the Connecticut Business Opportunity Investment Act, certifies to the Connecticut Banking Commissioner as follows:

1. Each purchaser-investor to whom an unregistered business opportunity was sold has signed the post-sale registration document consisting of an Explanatory Statement and Statement of Non-prejudice; and
2. Included herewith are the signed documents referenced above and their return receipts; and
3. Attached hereto as "Exhibit A" is a list of the names, addresses and telephone numbers of those purchaser-investors to whom business opportunities have been sold without compliance with the registration provisions of sections 36b-60 to 36b-80, inclusive, and the amount of payment furnished by each purchaser-investor for the business opportunity.

**Print Name of Business
Opportunity Seller:**

**Signature of Executive
Officer or Authorized
Person of Similar Rank:**

Print Name of Signatory:

Date:

EXHIBIT A: LIST OF PURCHASER-INVESTORS (Use Additional Sheets if Necessary)

Prepared Pursuant to Section 36b-62(h) of the Connecticut Business Opportunity Investment Act

<u>NAME</u>	<u>ADDRESS</u>	<u>TELEPHONE NUMBER</u>	<u>PAYMENT AMOUNT</u>
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