Form 2701—General Information
(Business Opportunity Registration)

The attached form is designed to meet minimal statutory filing requirements pursuant to the relevant code provisions. *This form and the information provided are not substitutes for the advice and services of an attorney.*

Commentary

The offering or sale of business opportunities in Texas is governed by the Business Opportunity Act, chapter 51, Texas Business & Commerce Code, and the secretary of state's administrative rules, title 1, chapter 97 of the Texas Administrative Code. Before an offering or sale of a business opportunity in Texas, the principal seller must register the business opportunity with the secretary of state. Tex. Bus. & Comm. Code § 51.051. A registration is effective the date the completed registration and filing fee are received by the secretary of state.

The information provided in the registration must be updated periodically with the secretary of state. The list of individual sellers must be updated every six months and the disclosure statement must be updated annually and whenever there is a material change. The filing fee for any update is $25.

Definition. Section 51.003 of the Business Opportunity Act defines "business opportunity" as follows:

(a) In this chapter, "business opportunity" means a sale or lease for an initial consideration of more than $500 of products, equipment, supplies, or services that will be used by or for the purchaser to begin a business in which the seller represents that:

(1) the purchaser will earn or is likely to earn a profit in excess of the amount of the initial consideration the purchaser paid; and

(2) the seller will:

(A) provide a location or assist the purchaser in finding a location for the use or operation of the products, equipment, supplies, or services on premises that are not owned or leased by the purchaser or seller;

(B) provide a sales, production, or marketing program; or

(C) buy back or is likely to buy back products, equipment, or supplies purchased or products made, produced, grown, or bred by the purchaser using wholly or partly the products, equipment, supplies, or services that the seller initially sold or leased or offered for sale or lease to the purchaser.

(b) In this chapter, "business opportunity" does not include:

(1) the sale or lease of an established and ongoing business or enterprise that has actively conducted business before the sale or lease, whether composed of one or more than one component business or enterprise, if the sale or lease represents an isolated transaction or series of transactions involving a bona fide change of ownership or control of the business or enterprise or liquidation of the business or enterprise;

(2) a sale by a retailer of goods or services under a contract or other agreement to sell the inventory of one or more ongoing leased departments to a purchaser who is granted the right to sell the goods or services within or adjoining a retail business establishment as a department or division of the retail business establishment;

(3) a transaction that is:

(A) regulated by the Texas Department of Licensing and Regulation, the Texas Department of Insurance, the Texas Real Estate Commission, or the director of the Motor Vehicle Division of the Texas Department of Transportation; and

(B) engaged in by a person licensed by one of those agencies;

(4) a real estate syndication;

(5) a sale or lease to a business enterprise that also sells or leases products, equipment, or supplies or performs services:

(A) that are not supplied by the seller; and

(B) that the purchaser does not use with the seller's products, equipment, supplies, or services;

(6) the offer or sale of a franchise as described by the Petroleum Marketing Practices Act (15 U.S.C. Section 2801 et seq.) and its subsequent amendments;

(7) the offer or sale of a business opportunity if the seller:

(A) has a net worth of $25 million or more according to the seller's audited balance sheet as of a date not earlier than the 13th month before the date of the transaction; or

(B) is at least 80 percent owned by another person who:

(i) in writing unconditionally guarantees performance by the person offering the business opportunity plan; and

(ii) has a net worth of more than $25 million according to the person's most recent audited balance sheet as of a date not earlier than the 13th month before the date of the transaction; or

(8) an arrangement defined as a franchise by 16 C.F.R. Section 436.2(a) and its subsequent amendments if:

(A) the franchisor complies in all material respects in this state with 16 C.F.R. Part 436 and each order or other action of the Federal Trade Commission; and

(B) before offering for sale or selling a franchise in this state, a person files with the secretary of state a notice containing:

(i) the name of the franchisor;

(ii) the name under which the franchisor intends to transact business; and

(iii) the franchisor's principal business address.

As a ministerial filing office, the Office of the Secretary of State cannot make a determination as to whether an activity constitutes a "business opportunity" under the statute. For assistance in determining whether a particular offering or sale must be registered, please consult your private attorney.

Instructions for Form

- **Business Opportunity and Seller Information:** Provide the names of the business opportunity, the principal seller, and any individuals who sell or will sell the business opportunity for the principal seller. The principal seller is the person registering the business opportunity. The address of the seller's principal place of business is required. It is requested that you provide a telephone number. The registered agent and office information is also requested so the business opportunity can be sent notice regarding its registration status, including involuntary termination.

- **Disclosure Statement and Proof of Security:** A disclosure statement or acceptable similar document and proof of security (if required) must be submitted with the registration. Acceptable similar documents include documents required by the Texas State Securities Board, Securities and Exchange Commission, and Federal Trade Commission so long as they contain all of the information required by §§ 51.152-51.164.

- **Sample Cover Sheet and Disclosure Statement Form:** Section 51.152, Tex. Bus. & Comm. Code, requires a business opportunity disclosure statement to be submitted under a specific cover. The sample cover sheet following the registration form meets the minimum requirements of § 51.152. The disclosure statement form following the cover sheet outlines the requirements set forth in §§ 51.152-51.164 and meets the minimum requirements of those sections.

- **Payment and Delivery Instructions:** The filing fee for a business opportunity registration is **$195.** Fees may be paid by personal checks, money orders, LegalEase debit cards or American Express, Discover, MasterCard, and Visa credit cards. Checks or money orders must be payable through a U.S. bank or financial institution and made payable to the secretary of state. Fees paid by credit card are subject to a statutorily authorized convenience fee of 2.7 percent of the total fees.

  The completed form, along with the filing fee, may be mailed to Registrations Unit, P.O. Box 13193, Austin, Texas 78711-3193 or delivered to the James Earl Rudder Office Building, 1019 Brazos, Austin, Texas 78701.

Revised 02/2017

Form 2701 (Revised 02/17)
Submit in duplicate to:
Secretary of State
Registrations Unit
P.O. Box 13193
Austin, TX 78711-3193

Filing Fee: $195

This space reserved for office use.

Business Opportunity Registration

Name of Business Opportunity

Name: _____

Principal Seller and Principal Place of Business

Name: _____ Phone: _____

Address: _____
Street *City* *State* *Zip*

Individual Sellers

Name: _____

Residence Address: _____
Street *City* *State* *Zip*

Name: _____

Residence Address: _____
Street *City* *State* *Zip*

Name: _____

Residence Address: _____
Street *City* *State* *Zip*

LIST ANY OTHER INDIVIDUAL SELLERS ON A SEPARATE SHEET

Registered Agent/Office

Name: _____

Address: _____
Street *City* *State* *Zip*

Disclosure Statement

☐ A disclosure statement, or acceptable similar document, meeting the requirements of subchapter D of the Business Opportunity Act, Texas Business & Commerce Code Chapter 51, is attached.

Proof of Security *(Select either A or B.)*

☐ A. A copy of a bond, notice of trust account, or irrevocable letter of credit is attached.

☐ B. Security is not required because seller will not represent that a purchaser of the business opportunity will earn a profit.

Execution

Date: _____

_____
Signature of authorized person for principal seller

_____
Printed or typed name of authorized person

DISCLOSURES REQUIRED BY TEXAS LAW

The State of Texas has not reviewed and does not endorse, approve, recommend, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

Business Opportunity Disclosure Statement

(Use Additional Sheets as Necessary)

Names and Addresses (required by § 51.153)

Name of Principal Seller (the "seller"): _____

Each name under which the seller has transacted, is transacting, or intends to transact business: _____

Name of any parent or affiliated company that will engage in a business transaction with the purchaser or that takes responsibility for statements made by the seller: _____

Governing Persons *(names, addresses, and titles of the seller's officers, directors, trustees, general partners, general managers, and principal executives)*

Name: _____ Title: _____

Address: _____

Street *City* *State* *Zip*

Name: _____ Title: _____

Address: _____

Street *City* *State* *Zip*

Name: _____ Title: _____

Address: _____

Street *City* *State* *Zip*

Name: _____ Title: _____

Address: _____

Street *City* *State* *Zip*

Name: _____ Title: _____

Address: _____

Street *City* *State* *Zip*

Owners *(names, addresses, and titles of shareholders owning more than 20 percent of the shares of the seller)*

Name: _____ Title: _____

Address: _____

Street *City* *State* *Zip*

Name: _____ Title: _____

Address: _____

Street *City* *State* *Zip*

Name: _____ Title: _____

Address: _____

Street *City* *State* *Zip*

Name: _____ Title: _____

Address: _____

Street *City* *State* *Zip*

Name: _____ Title: _____

Address: _____

Street *City* *State* *Zip*

Other Responsible Persons *(names, addresses, and titles of any other persons responsible for the seller's business activities relating to the sale of business opportunities)*

Name: _____ Title: _____

Address: _____

Street *City* *State* *Zip*

Name: _____ Title: _____

Address: _____

Street *City* *State* *Zip*

Name: _____ Title: _____

Address: _____

Street *City* *State* *Zip*

Name: _____ Title: _____

Address: _____

Street *City* *State* *Zip*

Name: _____ Title: _____

Address: _____

Street *City* *State* *Zip*

Sales Periods (required by § 51.154)

1. Period during which the seller has sold business opportunities: _____

2. Period during which the seller has sold business opportunities involving the products, equipment, supplies, or services the seller is offering to the purchaser: _____

Services Description (required by § 51.155)

Detailed description of the actual services the seller undertakes to perform for the purchaser:

_____

_____

_____

_____

_____

For each location at which the seller promises to perform services in connection with the placement of products, equipment, or supplies, state (a) the full nature of those services; and (b) the nature of any agreements to be made with the owners or managers of the location *(enter N/A if no such location)*:

_____

_____

_____

_____

_____

Updated Financial Statement (required by § 51.156)

☐ A copy of a financial statement of the seller that was prepared according to generally accepted accounting principles within the previous 13 months and that has been updated to reflect any material change in the seller's financial condition is enclosed.

Training Description (required by § 51.157)

If the seller promises training, a complete description of the training, including (1) the length of the training; and (2) any costs of the training that the purchaser will be required to incur, including travel and lodging expenses *(if the seller does not promise training, enter N/A)*:

_____

_____

_____

_____

Security Description (required by § 51.158)

(Select A, B, C, or D, as applicable.)

☐ A. As required by Texas law, the seller has secured a bond issued by _____, a surety company authorized to do business in this state. Before signing a contract to purchase this business opportunity, you should confirm the bond's status with the surety company.

☐ B. As required by Texas law, the seller has established a trust account with _____. Before signing a contract to purchase this business opportunity, you should confirm with the bank or savings institution the current status of the trust account.

☐ C. As required by Texas law, the seller has obtained an irrevocable letter of credit from _____. Before signing a contract to purchase this business opportunity, you should confirm the current status of the letter of credit with the issuer.

☐ D. The seller is not required to establish security.

Delivery Date; Cancellation of Contract (required by § 51.159)

(Select A or B, as applicable.)

☐ A. The seller is not required to deliver to the purchaser the product, equipment, or supplies necessary to begin substantial operation of the business by a stated definite or approximate delivery date.

☐ B. The seller is required to deliver to the purchaser the product, equipment, or supplies necessary to begin substantial operation of the business by a stated definite or approximate delivery date. If the seller fails to deliver the product, equipment, or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller in writing and cancel your contract.

Sale or Earnings Representation (required by § 51.160)

(Select A or B, as applicable.)

☐ A. The seller has not made a statement concerning sales or earnings that may be made through the business opportunity.

☐ B. The seller has made a statement concerning sales or earnings that may be made through the business opportunity. The total number of purchasers of business opportunities involving the product, equipment, supplies, or services being offered who to the seller's knowledge have, not earlier than the third year before the date of the disclosure statement, actually achieved sales of or received earnings in the amount or range specified is: _____

The total number of purchasers who, not earlier than the third year before the date of the disclosure statement, purchased business opportunities involving the product, equipment, supplies, or services being offered is: _____

Legal Action History (required by § 51.161)

(To be completed for persons described by § 51.153—Persons listed in the "Names and Addresses" Section above)

1. Name: _____

The person named above:
(Select A, B, C, D, or E, as applicable, and complete the accompanying information.)

☐ A. during the previous seven fiscal years, has been convicted of a felony, or pleaded nolo contendere to a felony charge, involving fraud, embezzlement, fraudulent conversion, or misappropriation of property;

Identity and location of any court or agency: _____

Date of entry of any plea of nolo contendere, conviction, judgment, or decision: _____
mm/dd/yyyy

Penalty imposed, if any: _____

Damages assessed, if any: _____

Terms of any settlement or order: _____

_____

Date, nature, and issuer of any order or ruling: _____

_____

☐ B. during the previous seven fiscal years, has been held liable in a civil action resulting in a final judgment, or has settled out of court a civil action, involving: (i) allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property; (ii) the use of untrue or misleading representations in an attempt to sell or dispose of property; or (iii) the use of unfair, unlawful, or deceptive business practices;

Identity and location of any court or agency: _____

Date of entry of any plea of nolo contendere, conviction, judgment, or decision: _____
mm/dd/yyyy

Penalty imposed, if any: _____

Damages assessed, if any: _____

Terms of any settlement or order: _____

_____

Date, nature, and issuer of any order or ruling: _____

_____

☐ C. is a party to a civil action involving: (1) allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property; (2) the use of untrue or misleading representations in an attempt to sell or dispose of property; or (3) the use of unfair, unlawful, or deceptive business practices;

Identity and location of any court or agency: _____

Date of entry of any plea of nolo contendere, conviction, judgment, or decision: _____
mm/dd/yyyy

Penalty imposed, if any: _____

Damages assessed, if any: _____

Terms of any settlement or order: _____

_____

Date, nature, and issuer of any order or ruling: _____

_____

☐ D. is subject to an injunction or restrictive order relating to business activity as a result of an action brought by a public agency or department; or

Identity and location of any court or agency: _____

Date of entry of any plea of nolo contendere, conviction, judgment, or decision: _____
mm/dd/yyyy

Penalty imposed, if any: _____

Damages assessed, if any: _____

Terms of any settlement or order: _____

_____

Date, nature, and issuer of any order or ruling: _____

_____

☐ E. none of the above.

2. Name: _____

The person named above:
(Select A, B, C, D, or E, as applicable, and complete the accompanying information.)

☐ A. during the previous seven fiscal years, has been convicted of a felony, or pleaded nolo contendere to a felony charge, involving fraud, embezzlement, fraudulent conversion, or misappropriation of property;

Identity and location of any court or agency: _____

Date of entry of any plea of nolo contendere, conviction, judgment, or decision: _____
mm/dd/yyyy

Penalty imposed, if any: _____

Damages assessed, if any: _____

Terms of any settlement or order: _____

_____

Date, nature, and issuer of any order or ruling: _____

_____

☐ B. during the previous seven fiscal years, has been held liable in a civil action resulting in a final judgment, or has settled out of court a civil action, involving: (i) allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property; (ii) the use of untrue or misleading representations in an attempt to sell or dispose of property; or (iii) the use of unfair, unlawful, or deceptive business practices;

Identity and location of any court or agency: _____

Date of entry of any plea of nolo contendere, conviction, judgment, or decision: _____
mm/dd/yyyy

Penalty imposed, if any: _____

Damages assessed, if any: _____

Terms of any settlement or order: _____

_____

Date, nature, and issuer of any order or ruling: _____

_____

☐ C. is a party to a civil action involving: (1) allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property; (2) the use of untrue or misleading representations in an attempt to sell or dispose of property; or (3) the use of unfair, unlawful, or deceptive

business practices;

Identity and location of any court or agency: _____

Date of entry of any plea of nolo contendere, conviction, judgment, or decision: _____
mm/dd/yyyy

Penalty imposed, if any: _____

Damages assessed, if any: _____

Terms of any settlement or order: _____

_____

Date, nature, and issuer of any order or ruling: _____

_____

☐ D. is subject to an injunction or restrictive order relating to business activity as a result of an action brought by a public agency or department; or

Identity and location of any court or agency: _____

Date of entry of any plea of nolo contendere, conviction, judgment, or decision: _____
mm/dd/yyyy

Penalty imposed, if any: _____

Damages assessed, if any: _____

Terms of any settlement or order: _____

_____

Date, nature, and issuer of any order or ruling: _____

_____

☐ E. none of the above.

3. Name: _____

The person named above:
(Select A, B, C, D, or E, as applicable, and complete the accompanying information.)

☐ A. during the previous seven fiscal years, has been convicted of a felony, or pleaded nolo contendere to a felony charge, involving fraud, embezzlement, fraudulent conversion, or misappropriation of property.

Identity and location of any court or agency: _____

Date of entry of any plea of nolo contendere, conviction, judgment, or decision: _____
mm/dd/yyyy

Penalty imposed, if any: _____

Damages assessed, if any: _____

Terms of any settlement or order: _____

_____

Date, nature, and issuer of any order or ruling: _____

_____

☐ B. during the previous seven fiscal years, has been held liable in a civil action resulting in a final judgment, or has settled out of court a civil action, involving: (i) allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property; (ii) the use of untrue or misleading representations in an attempt to sell or dispose of property; or (iii) the use of unfair, unlawful, or deceptive business practices.

Identity and location of any court or agency: _____

Date of entry of any plea of nolo contendere, conviction, judgment, or decision: _____
mm/dd/yyyy

Penalty imposed, if any: _____

Damages assessed, if any: _____

Terms of any settlement or order: _____

_____

Date, nature, and issuer of any order or ruling: _____

_____

☐ C. is a party to a civil action involving: (1) allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property; (2) the use of untrue or misleading representations in an attempt to sell or dispose of property; or (3) the use of unfair, unlawful, or deceptive business practices.

Identity and location of any court or agency: _____

Date of entry of any plea of nolo contendere, conviction, judgment, or decision: _____
mm/dd/yyyy

Penalty imposed, if any: _____

Damages assessed, if any: _____

Terms of any settlement or order: _____

_____

Date, nature, and issuer of any order or ruling: _____

_____

☐ D. is subject to an injunction or restrictive order relating to business activity as a result of an action brought by a public agency or department.

Identity and location of any court or agency: _____

Date of entry of any plea of nolo contendere, conviction, judgment, or decision: _____
mm/dd/yyyy

Penalty imposed, if any: _____

Damages assessed, if any: _____

Terms of any settlement or order: _____

_____

Date, nature, and issuer of any order or ruling: _____

_____

☐ E. none of the above.

Bankruptcy or Reorganization (required by § 51.162)

(To be completed for persons described by § 51.153—Persons listed in the "Names and Addresses" Section above)

1. Name: _____ Location: _____

During the previous seven years, the person named above has:
(Select A, B, C, D, or E, as applicable, and complete the accompanying information.)

☐ A. filed in bankruptcy. Date of filing: _____
mm/dd/yyyy

Any other material fact relating to the filing: _____

☐ B. been adjudged bankrupt. Date of adjudication: _____
mm/dd/yyyy

Any other material fact relating to the adjudication: _____

☐ C. been reorganized because of insolvency. Date of reorganization: _____
mm/dd/yyyy

Any other material fact relating to the reorganization: _____

☐ D. been a principal, director, executive officer, or partner of any other person that, during or not later than the first anniversary of the end of the period the person held the position in relation to the other person, filed in bankruptcy, was adjudged bankrupt, or was reorganized because of insolvency. The name of the person that filed in bankruptcy, was adjudged bankrupt, or was reorganized because of insolvency is _____.

Date of filing, reorganization, or adjudication: _____
mm/dd/yyyy

Any other material fact relating to the filing, reorganization, or adjudication: _____

☐ E. none of the above.

2. Name: _____ Location: _____

During the previous seven years, the person named above has:
(Select A, B, C, D, or E, as applicable, and complete the accompanying information.)

☐ A. filed in bankruptcy. Date of filing: _____
mm/dd/yyyy

Any other material fact relating to the filing: _____

☐ B. been adjudged bankrupt. Date of adjudication: _____
mm/dd/yyyy

Any other material fact relating to the adjudication: _____

☐ C. been reorganized because of insolvency. Date of reorganization: _____
mm/dd/yyyy

Any other material fact relating to the reorganization: _____

☐ D. been a principal, director, executive officer, or partner of any other person that, during or not later than the first anniversary of the end of the period the person held the position in relation to the other person, filed in bankruptcy, was adjudged bankrupt, or was reorganized because of insolvency. The name of the person that filed in bankruptcy, was adjudged bankrupt, or was reorganized because of insolvency is _____.

Date of filing, reorganization, or adjudication: _____
mm/dd/yyyy

Any other material fact relating to the filing, reorganization, or adjudication: _____

☐ E. none of the above.

3. Name: _____ Location: _____

During the previous seven years, the person named above has:

(Select A, B, C, D, or E, as applicable, and complete the accompanying information.)

☐ A. filed in bankruptcy. Date of filing: _____
mm/dd/yyyy

Any other material fact relating to the filing: _____

_____

☐ B. been adjudged bankrupt. Date of adjudication: _____
mm/dd/yyyy

Any other material fact relating to the adjudication: _____

_____

☐ C. been reorganized because of insolvency. Date of reorganization: _____
mm/dd/yyyy

Any other material fact relating to the reorganization: _____

_____

☐ D. been a principal, director, executive officer, or partner of any other person that, during or not later than the first anniversary of the end of the period the person held the position in relation to the other person, filed in bankruptcy, was adjudged bankrupt, or was reorganized because of insolvency. The name of the person that filed in bankruptcy, was adjudged bankrupt, or was reorganized because of insolvency is _____.

Date of filing, reorganization, or adjudication: _____
mm/dd/yyyy

Any other material fact relating to the filing, reorganization, or adjudication: _____

_____

☐ E. none of the above.

Contract Copy (required by § 51.163)

☐ A copy of the business opportunity contract that the seller uses as a matter of course and that will be presented to the purchaser at closing is enclosed.

Print Reset