

HUBBARD COMMUNICATIONS OFFICE  
Saint Hill Manor, East Grinstead, Sussex

Remimeo  
Franchise  
Franchise Hats  
Public Officers

HCO POLICY LETTER OF 10 NOVEMBER 1969

Issue II

FRANCHISE GRANTS OR CHARTERS

Since the earliest days of Franchise, a Franchise Grant is awarded only to ONE INDIVIDUAL IN ONE AREA.

There are no floating franchises or combined franchises in accordance with long-standing policy.

A Franchise Grant is a right to use the name approved by Franchise WW in a single area by an individual in that area.

It is for a period of good usage, and remains valid only if its 10% are paid regularly. That too is long standing policy.

Business and profit Corporations are not granted franchises.

A Franchise is now regarded as a MISSION of the church run by a minister of the church and bears non-profit status.

An individual in that area may file the name as a "business name" but must take needful steps to ensure that non-profit status is not compromised.

Running a Franchise under a name other than that granted or for other use than Dianetic and Scientology services can cause a cancellation of the Franchise and withdrawal of the name.

An individual may sell his Franchise to another providing that other is going to operate it and be as a person in that area. The Franchise may not be sold into any network for non-resident management.

The proper US term for the type of company is "corporate sole" meaning an individual in whom the property and funds of a social or religious group is invested. The "corporate sole" is a person who is a custodian of the funds and property of the group. This type of "corporation" is permissible in Franchise.

Several trustees may combine in a board and register their Franchise as a church or religious association or an association or society of which they are the board. This has been done in the past in various areas.

Anyone receiving a Franchise or who holds an active Franchise as of the date of this policy letter should rearrange his or her Franchise status to comply with the above or with any additional requirements as may be specified by the Deputy Guardian for Legal, C of S, Worldwide.

All Franchises which are not in good usage or which have been in any way irregular in their 10% tithe to the mother church are cancelled by this policy letter and must be reapplied for to Franchise WW.

Any Franchise found to be in conflict with this policy letter but is in active use and has regularly paid its tithe to WW should be regularized with Franchise WW and Deputy Guardian for Legal WW who have full authority to effect satisfactory resolution of any difficulties within the meaning and spirit of this policy letter.

The work and activity of Franchise holders over the world is appreciated and it is realized that both time and money have been expended and that many

franchises have value and assets. No orders have ever been issued by any Sen official to compel or coerce any franchise holder into any network or compel percentages to any individual or group other than the franchise holder in the area for which the Franchise was granted and such arrangements are frowned upon as depriving the Franchise holder of the benefit of his franchise and compromising the good of the community.

The actual persons running a franchise in an area and who are in that area are the persons looked upon by the church as the Franchise holders and actual custodians of the Franchise name granted to that area. These, if any irregularity of status (as per Franchise tradition and this policy letter) exists, should contact the nearest Central Org or Franchise WW to regularise their status and have their existing franchise and name cancelled and the Franchise reissued in a new title by WW so that it will be fully valid.

Any monies given to Franchise holders or arranged to "buy the franchise" should be considered a loan and should be promptly repaid to the donor. Franchises should pay their debts and be solvent. The Mother Church is not responsible for their debts but solvency is in the interest of good public relations.

(This policy letter has been issued at the request of the Deputy Guardian for Legal WW to resolve the many irregularities in Franchise status now existing.)

LRH;  
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