

PRESS RELEASE

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AAFD Announces Total Quality Franchising Awards for 2003 **Michael Dady Recognized for Lifetime Achievement** ***Straw Hat Pizza Cooperative Named Franchisor of the Year***

San Diego, Ca. The American Association of Franchisees & Dealers (AAFD) has announced the year 2003 recipients of its Annual *Total Quality Franchising (TQF) Awards*. Headlining the acknowledgment of distinguished service to the AAFD and the franchising community is the selection of nationally recognized franchise attorney, Michael Dady as recipient of the *TQF Lifetime Achievement Award*. **Straw Hat Pizza Cooperative, Inc.** has been named the *AAFD Franchisor of the Year*.

AAFD Chairman, Robert Purvin singled out the Life Achievement Award to Michael Dady as indicative of the purpose of the Award. “Michael has established himself as a leading advocate of franchisee rights within the franchising community,” said Purvin. “Mike’s imprint on franchising has been largely as an attorney, but his roots within the community go through his entire life. His family was a Hamm’s Beer distributor in South Dakota, so he began as a franchisee.”

On learning of the award, Dady said, “I am deeply moved to be so honored by the AAFD’s award. I hope to be able to contribute to the cause of fairness in franchising for many years to come.”

Michael’s entire career has continuously embodied the essence of the AAFD’s concept of *Total Quality Franchising*.” Said his long time law partner, Michael Garner, a well respected franchise attorney in his own right, “Michael Dady has distinguished himself not only as the best trial lawyer for franchisees, but the best lawyer in franchising. Furthermore, his contributions to franchising go far beyond particular cases.”

The selection of the **Straw Hat Pizza Cooperative** as the *AAFD Franchisor of the Year* is a testament to the premise that *fair franchising, or in this case licensing, is good business*. The Award recognizes both exemplary franchising practices and dedication to the AAFD’s vision of *Total Quality Franchising*. *Straw Hat*, a cooperative of former Straw Hat Pizza franchisees, is therefore franchisee, or “member,” owned, and provides an excellent demonstration of a quality franchise system that respects the business needs of both its licensees and the system as a whole.

AAFD Chair, Robert Purvin, praised the Straw Hat system. “Straw Hat’s license agreement embodies fairness, and as a cooperative, the company takes maximum advantage of the group purchasing

synergies that should be the rule in franchising,” reported Purvin.

The second company to ever earn the AAFD’s Fair Franchising Seal, last year Straw Hat became the first company to renew its certification as an AAFD accredited licensor. Said Purvin, “*We are proud and delighted to place the Straw Hat Pizza Cooperative on a well deserved pedestal, and in singing its praises, let other companies know that respect for franchisees will be richly rewarded in the franchising marketplace!*”

“The Straw Hat Cooperative is very pleased to be recognized in this manner by the AAFD,” said Joshua Richman, Straw Hat President and CEO. “This award underscores the benefits of our cooperative system; a commitment to service, support, and value, while keeping the interests of our Membership as our foremost concern,” continued Richman. “With so many excellent franchise opportunities available today, it is extremely gratifying to be selected as the AAFD Franchisor of the Year.”

Purvin also announced that the AAFD *Chairman’s Awards for Exceptional Service to the Franchising Community* for 2003 will be presented to the National Franchise Mediation Program (NFMP). The program, which is a jointly endorsed and supported by the AAFD, the International Franchise Association, the National Franchise Council as well as scores of major franchising companies and a growing number of franchisee associations, is designed to promote negotiated and mediated resolution of disputes within the franchising community. The program is administered by the CPR Institute for Dispute Resolution, a world recognized leader in industry specific mediation programs.

“The NFMP has developed an exemplary program to move the resolution of franchise disputes from the courtroom to the negotiating table,” praised Purvin. “It is incumbent on us to increase public awareness of this valuable tool for building positive franchise relationships—and I sincerely hope that our recognition of this important program will help expand the NFMP’s awareness among franchisors and franchisees alike.”

Mort Aronson, the Chairman of the Program stated, "The NFMP is deeply appreciative of the Award and congratulates AAFD on its support of the Program and in promoting mediation as the best way of resolving disagreements between franchisors and franchisees and thereby preserving good business relationships a key to success in our franchising businesses.”

NFMP’s administrator, Peter Phillips of the CPR Institute for Dispute Resolution, said: “It is a great honor for the Program to receive this recognition. We hope that the Award contributes to our continuing efforts to encourage trust and usage among both the franchisee and franchisor communities for this neutral, problem-solving, value-adding process called mediation.”

The Association also announced recipients for the year 2003 *TQF Awards*:

- ***AAFD Member of the Year*** – Peter Hanson, Huntington Learning Center Franchisee, President of the Association of Remedial Educators, and AAFD Treasurer and Board Member
- ***Chapter of the Year*** – The Checkcare Franchisees Chapter of the AAFD
- ***Supporting Member of the Year*** – Telcorp International, Robert Paswater, President
- ***Rookie Chapter of the Year*** – The MRI Franchisee Association, Todd Govig, President

In announcing the Award nominees, AAFD Chairman, Robert Purvin expressed appreciation for all the hard work and high ethical standards established by current and past *TQF* Award nominees and recipients.