**Section 200.503 Release of Escrowed Funds**

a) A franchisor shall petition for release of escrowed funds by use of the form attached as Appendix C, Illustration B. Upon receipt of such petition, the Administrator will send notice of it to the franchisee advising the franchisee that any objection that the franchisee may have to the petition must be filed in writing and received by the Administrator within 30 days after the date the notice is sent. The Administrator shall issue a "no exception notice" authorizing the escrowee to release to the franchisor the escrowed funds applicable to a specified franchisee upon a showing that the franchisor has fulfilled its initial obligations under the franchise or other agreements to establish such franchise and that the franchisee has commenced doing business pursuant to the franchise agreement. The "no exception notice" shall state that the Administrator has no objection to the release of the funds to the franchisor.

b) A franchisee shall petition for release by use of the form attached as Appendix C, Illustration C. Upon receipt of such petition, the Administrator will send notice of it to the franchisor advising it that any objection it may have to the petition must be filed in writing and received by the Administrator within 30 days after the date the notice is sent. The Administrator shall issue a "no exception notice" authorizing the escrowee to release to the franchisee the escrowed funds applicable to each franchisee upon a showing that the franchisor has failed to fulfill its initial obligations under the franchise or other agreement to the franchise and that the franchisee has not commenced doing business. The "no exception notice" shall state that the Administrator has no objection to the release of funds to the franchisee.

c) An order of the Administrator releasing funds held in escrow to the franchisor or franchisee shall not be considered a finding of any fact and shall not constitute evidence of any such finding of fact in any judicial or arbitration proceeding.

d) If the Administrator receives a timely objection to the release of the escrowed funds, the Administrator shall not order the funds released from escrow until such time as the objection is resolved by either settlement, court order, or decision of arbitrator.

(Source: Amended at 23 Ill. Reg. 11561, effective September 7, 1999)