

NEWS RELEASE:

AAFD Announces Distinguished Contribution Awards for 2007. Settle Inn Hotels and the California Department of Corporations Receive Recognition.

DATELINE: SAN DIEGO, CA.

The American Association of Franchisee and Dealers (AAFD) has announced that Settle Inn Hotels, LLC and the California Department of Corporations (DOC) are AAFD's 2007 recipients of the Total Quality Franchising Chairman's Award for Distinguished Contributions and Service to the Franchising Community.

Settle Inn earned AAFD Accredited Contract status the AAFD's highest honor for a start-up franchise company. In doing so, the company committed to a franchise culture and franchise agreement that scored a record 99.3% conformity to the AAFD Fair Franchising Standards. Equally important to the AAFD's strategy to encourage market driven reform of the franchise community, Settle Inn has made its AAFD accredited culture and contract the cornerstone of its franchise development effort.

Terry Kline, Senior Vice President of Franchise Sales and Development of Settle Inns Hotels, explained, "We are truly humbled to receive this recognition from the AAFD! From the very beginning, we set out to make "Fair Franchising" the core element of our business model. Following the leadership of AAFD we were able to structure a franchise agreement for both our "Settle Inn" and "GuestHouse International" brands that gives our franchise owners the entrepreneurial freedom to effectively manage their assets, while allowing us the opportunity to deliver personalized, essential services without the higher costs and inflexibility that is so often common in the lodging industry today."



AAFD Chairman Bob Purvin, added, "Settle Inn has placed Fair Franchising at the core of its franchise program, and it has embraced the AAFD Standards fully, making itself a public example of how fair franchising is good business! The AAFD will do all it can to help our accredited franchisors, succeed and prosper."

The California Department of Corporations, also the AAFD's 2007 Honoree for Lifetime Achievement, is specifically being recognized for its CalEASI online document filing and retrieval system. Consistent with the State's ongoing leadership efforts to improve franchising in California to protect investors, the innovative CalEASI program has placed all franchise document filings on line for free and easy public access!

"On behalf of the Department of Corporations and California Corporations Commissioner Preston DuFauchard, we are pleased to accept this award in recognition of our commitment to improve customer service to the franchising community," said Tim Le Bas, Deputy Commissioner of the Department of Corporations. "We are especially honored to receive this award from an organization such as AAFD that shares the California Department of Corporations' dedication to the highest standards of professionalism and public service."

This is the second time the DOC has received the AAFD's prestigious Distinguished Contribution Award having been recognized in 2005 when the Department supported legislation that allowed it to better focus its resources on high risk franchise opportunities and on suspected violations of California laws relating to franchising.

"The CalEASI document retrieval program is yet the most recent of a series of initiatives and protections for franchise investors that has led the AAFD to recognize 35 years of achievement, becoming the first institution to receive our Lifetime Achievement Award," praised AAFD Chairman Bob Purvin.

Bob went on to say, "the AAFD is privileged to honor Settle Inn Hotels and the California Department of Corporations for distinguished service to the franchise community. We look forward to formal recognition at the AAFD's Total Quality Franchising Awards Banquet, April 30, 2007 in Dallas/Fort Worth."

About the AAFD:

The AAFD is a national non-profit trade association representing the rights and interests of franchisees and independent dealers throughout the United States. Formed in 1992, the AAFD is focused on market driven reform to achieve its mission to define and promote collaborative franchise cultures that the AAFD describes as Total Quality Franchising. Since its formation the AAFD has grown to represent more than 50,000 franchised businesses throughout the United States. The AAFD currently has members in all 50 states and represents more than 100 different franchise systems.

The AAFD's Fair Franchising Standards, Fair Franchising Seal, Trademark Chapters, and emphasis on Marketplace Solutions have led to the Association's recognition as a growing force in franchising. The AAFD's Branded Partner Program provides a broad range of member services designed to help franchisees build market power, create legislative support of interest to franchisees, provide legal and financial support, and provide a wide range of general member benefits.

For more information about the AAFD, please call toll free - 800-733-9858 or

visit www.AAFD.com.