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Sent: Tuesday, January 4, 2022 1:38 PM
To: NASAA Comments
Cc: Andrea.Seidt@com.state.oh.us; Dale Cantone
Subject: [EXTERNAL]My comment concerning franchise contract language

As the [author](#) of two books on how to research and how to buy a franchise, I view my role as a franchisee advocate to be extremely important. And any regulations and/or laws that are either not being enforced or are being used by franchisors and franchise attorneys in unscrupulous ways are quite concerning to me.

For example, franchisees should **never** be required to sign questionnaires that include the following questions:

1. Did you receive any improper information outside of this FDD document in the course of your franchise due diligence?
2. Did you rely on that information when deciding to sign the franchise agreement?

Why not?

Because in today's digital world, it's way too easy for would-be franchisees to get "*earnings*" information from sources that aren't vetted, or in some cases, from disinformation campaigns designed as "*advertorials*" and the like. [Read this article penned by Sean Kelly for more specifics.](#)

The bottom line?

These earnings claims breaches are happening because some franchisors are trying to be slick by partnering with PR companies and/or any of the franchise "*Review*" and Franchise "*Magazine*" websites to promote their brands AND their earnings claims. In other words, websites that refuse to disclose their relationship. And they refuse to do it because that's their business model. And it needs to stop. This year.

In addition, rules need to be created that make it illegal to receive payment from a franchisor as an author or marketer unless it's disclosed in an obvious way.

[Here's an article I wrote about one such author.](#)

I hope my comments help.

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Joel Libava

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