



Re: Request for Public Comment on the NASAA Model Franchise Broker Registration Act

Dear NASAA Project Group,

I am an independent franchise broker with 10+ years of experience and have successfully served hundreds of individuals in this capacity. I have also gained an appreciation for the franchising model in my youth, playing a small role in my family's operation of several restaurant franchises. More recently I have also been a franchisee of an in-home senior care emerging franchise providing essential services for those desiring to remain in their home for their final chapters. I appreciate the opportunity to provide feedback on the proposed Model Act.

First, I want to express my support for the goals of enhancing ethical standards and education within franchising. These are values that I believe most franchise brokers share, as our success depends entirely on connecting qualified candidates with the appropriate franchise opportunities. However, I have concerns about the proposed approach that I believe need further consideration:

Industry Role Clarification

As an independent franchise broker, I serve as a referral source that I would equate as similar to an employment recruiter who introduces qualified candidates to potential employers. My role is solely to identify individuals interested in franchise ownership, facilitate introductions to franchisors that they have an interest in, and then be a resource for them during their discovery process and as they ultimately make a well-informed decision as to whether an opportunity is for them. I am not part of the franchise sales process. I do not have authority to bind franchisors and cannot provide franchise disclosure documents or make offers on behalf of the franchise or the candidate. The eventual franchise decision is entirely between these two parties.

Regulatory Framework Alignment

Despite our different roles and authorities, the current draft treats all franchise discovery and sales participants interchangeably. This approach may create compliance challenges and limit competition, particularly affecting emerging franchise brands that do not have the brand awareness or franchise recruitment resources of more established brands and therefore rely heavily on broker candidate referrals for growth.

Constructive Solutions

I support the development of standardized national education requirements that could be reciprocally recognized across states. I would expect the major broker industry groups would provide industry approved compliance training to brokers that can address educational concerns while maintaining the viability of franchise brokerage services for emerging brands.

I welcome the opportunity to work collaboratively with your team to develop effective solutions that serve all stakeholders in the franchising community.

Thank you for your consideration,
Cary Schneider
Pinnacle Franchise Brokers
Bend, OR 97702
503.584.1515