From: <u>Jack Jewan</u>
To: <u>NASAA Comments</u>

Subject: [EXTERNAL]Comments on the Proposed NASAA Model Franchise Broker Registration Act

Date: Wednesday, August 27, 2025 5:53:04 PM

Dear NASAA Officials,

My name is Jack Tiwari, a franchise, business and real estate consultant active in the industry since 2007 and also a member of the India Franchise Council. From my perspective working with entrepreneurs nationwide, I want to express strong concerns about the proposed Model Franchise Broker Registration Act.

While I support the goal of protecting prospective franchisees, the Act as written will cause unintended harm. My key concerns are:

1. Anti-Competitive and Redundant

Franchise brokers already operate under federal and state franchise laws, deceptive trade laws, and fraud statutes. Adding another layer of regulation creates duplicative and unnecessary barriers, directly conflicting with federal efforts to reduce anti-competitive regulations.

2. Misunderstanding of Broker Roles

The Act incorrectly groups recruiter brokers with internal representatives and FSOs. Recruiter brokers act as educators and referral sources-we do not sell franchises, we are just matchmakers. Holding us accountable as if we were franchisors is misguided.

3. Excessive Financial Burden

Requiring state-by-state registration, fees, and continuing education will price out small, independent brokers. This approach reduces competition, limits franchisee choice, and favors only the largest systems.

A Better Approach

<u>Single</u>, national education platform with a standardized course and exam (similar to NMLS-for loan officers)- developed with industry leaders- would raise standards without creating harmful state-by-state barriers.

Automatic reciprocity across states is essential, reflecting the national scope of franchising.

In its current form, the Model Act risks reducing consumer choice, slowing brand growth, and weakening entrepreneurship. Franchise brokers are an asset to the industry, not a threat. I urge NASAA to work with practitioners to design a more balanced solution.

Thank you for your consideration.

Sincerely,

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JackTiwari

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