



**North American Securities Administrators Association, Inc.**

750 First Street NE, Suite 990

Washington, DC 20002

**Wednesday, August 27, 2025**

**Subject: Comprehensive Comments on NASAA Model Franchise Broker Registration Act –  
From an Experienced Industry Professional and Advocate**

Dear NASAA Regulators,

My name is Mevlut "Hilmi" Cinar, and I am writing to provide comprehensive comments on the proposed NASAA Model Franchise Broker Registration Act. As a senior executive with **over 17 years of experience** spanning government affairs, defense media, real estate investment, and franchise development, and as a **Harvard and Kellogg-trained strategist**, I bring a deeply informed perspective on policy, economics, and private market execution.

I am a **Partner and Senior Franchise Consultant at The Franchise Consulting Company**, which is recognized as a leading franchise brokerage in the nation. In this capacity, I am intimately involved in fostering the growth of the franchise ecosystem. On one side, **I assist aspiring entrepreneurs in becoming business owners**, guiding them to one of our **400+ top-performing franchisors**. On the other, we **support successful small businesses in scaling their models nationally** by helping them become franchisors and connecting them with qualified franchisee candidates. Our platform offers a **comprehensive ecosystem**, including organizing 12 national franchise expos, publishing The Franchise Journal, and providing 360° services for both franchisors and franchisees – a unique offering within the American brokerage landscape.

Beyond my direct role in franchising, my experience as a **Co-Founder of The Defense Post**, cited in Pentagon reports, **Founder & CEO of MAESTRO Corporate Group**, structuring over \$100M in investments, and **Executive Board Member at the National Council on Civil Advocacy**, where I have led successful bipartisan legislative engagement and mobilized decision-makers, underscores my deep understanding of policy development and the broader economic impacts of regulation. My career has been dedicated to empowering individuals and fostering economic growth, and it is from this perspective that I express **strong opposition to the proposed Act**. While I appreciate NASAA's intent to protect consumers, this legislation, in its current form, **risks stifling entrepreneurship, creating unnecessary barriers, and fundamentally misunderstanding the role and value of franchise brokers**.

My primary concerns are as follows:

**1. Overly Broad and Confusing Definitions:** The proposed definition of a "franchise broker" is far too expansive. It would inadvertently capture a wide array of individuals and entities, including referral sources, lead generation services, existing franchisees making referrals, and various business professionals who do not engage in the actual sale of a franchise. As a recruiter franchise broker, our role is to **introduce candidates to multiple franchise concepts**; we do not sell franchises, deliver FDDs, award territory, or collect fees. **Only the franchisor has the authority to offer or award a franchise.** The "acid test" for a broker should be whether they have the ability to deliver a franchise contract for signing. Lumping these vastly different roles together creates confusion and paints an inaccurate picture of the industry.

**2. Excessive Regulatory Burden and Economic Consequences:** The proposed state-by-state registration model would impose an **overwhelming and disproportionate administrative and financial burden** on small businesses and independent franchise consultants. Requiring 50 different examinations, application fees, amendment fees, renewal fees, continuing education programs, and potentially varying financial qualifications for a national marketplace is **economically unfeasible and unjustifiable**. This **will concentrate market power in large corporate systems**, create significant barriers for **emerging brands** that rely on brokers for growth, and ultimately **stifle entrepreneurship, job creation, and tax revenue** within each state. This is also in **direct contradiction to federal Executive Orders on reducing anti-competitive regulatory barriers**.

**3. Duplicative and Unnecessary Regulation:** Existing state and federal laws, including the **FTC Franchise Rule**, already provide **comprehensive regulation** of franchise sales and protect franchisees against fraud and deceptive practices. Creating an additional layer of state-level regulation for referral activities would not meaningfully increase consumer protections but would instead **create compliance burdens without corresponding benefits**. There is little evidence to suggest that referral networks are a significant source of abuse; in fact, available data indicates minimal litigation directly naming recruiter franchise brokers, with complaints typically focusing on franchisors or FSOs.

**4. Harm to Consumer Choice and Information Access:** By imposing excessive burdens that could force many ethical brokers out of business, this Act would **reduce valuable resources for prospective franchisees**. Brokers often provide critical education about the due diligence process, connect candidates with diverse and emerging franchise concepts they might not otherwise discover, and ensure a custom alignment between a candidate's needs and suitable brands. Eliminating these intermediaries would **limit consumer options, reduce access to information, and leave prospective franchisees with fewer guidance options**. Less educated candidates can also lead to less informed franchisees, which could ironically increase opportunities for class-action lawsuits.

**5. Interstate Commerce and Jurisdictional Issues:** The franchise industry operates nationally. A fragmented, state-by-state registration approach creates an **unworkable patchwork of rules and fees** that may violate the Commerce Clause by creating unreasonable burdens on interstate commerce. This inconsistent regulatory environment would severely disrupt franchisors and referral networks, making it difficult for businesses to operate across state lines.

**Proposed Solutions:**

To address legitimate concerns without stifling the vital role of franchise brokers and the growth of the franchise industry, I respectfully recommend the following:

- **Clarify the Definition of "Broker":** The definition should be narrowed to apply only to those parties directly involved in the *sale* or *award* of a franchise, with the ability to deliver a franchise contract. This would distinguish genuine sellers from lead generators or referral sources.

- **Establish a Uniform National Standard:** Instead of a fragmented state-by-state system, NASAA should work towards a **uniform national standard** for any necessary education or registration. This should include **automatic reciprocity between states** for registration and educational requirements, as franchising is not a localized business. Our organization, along with other franchise broker network leaders and prominent franchise attorneys, is prepared to collaborate in providing a **common national education platform** to ensure all brokers are educated about relevant laws and regulations, thereby reducing administrative and financial burdens.

- **Focus on Enforcement of Existing Laws:** Rather than creating new, duplicative regulations, focus enforcement efforts on existing laws against specific harmful practices such as misrepresentation or fraud.

- **Enhance FDD Disclosures:** As a less burdensome alternative, consider requiring franchisors to indicate in their FDDs if they work with brokers and state that a referral fee is paid upon a successful award. Narrowing the scope of disclosure to people who are already receiving the FDD would be a more targeted approach.

The franchise industry is a national treasure, fueling entrepreneurship, creating millions of jobs, and uplifting communities across our diverse nation. It thrives on a consistent and predictable regulatory environment. I urge NASAA to work collaboratively with industry leaders and stakeholders to craft clear, effective, and balanced regulations that genuinely protect consumers without unintentionally destroying valuable business relationships and stifling economic growth and innovation.

Thank you for your time and careful consideration of these critical issues.

Sincerely,



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