

August 27, 2025



To: NASAA Project Group and Steve Brey, Michigan State Representative

From: Michael Davis, Managing Director, Ownership Pathways

Subject: Comments on Proposed NASAA Model Franchise Broker Act

Dear Members of the NASAA Project Group and Representative Steve Brey,

My name is Michael Davis, and I am an independent franchise broker with one year of experience serving the franchising community. Thank you for the opportunity to provide feedback on the proposed Model Act.

I want to begin with my support for the goals of enhancing ethical standards and strengthening education. These are values I uphold, as my success depends on responsibly connecting qualified candidates with opportunities that fit their skills and capabilities.

In my 30-year career I have been an employee, leader of teams, a senior executive and owner of businesses. I have firsthand experience in how thoughtful and balanced actions applied with good intentions without placing un-do burdens on small business can be extremely helpful to the overall industry. I fully support the effort to increase consistency of education and compliance of key levels of the value chain.

That said, I have several concerns with the current draft that I believe deserve careful consideration:

1. Industry Role Clarification

Independent franchise brokers operate as referral sources—much like employment recruiters who introduce qualified candidates to potential employers. We do not have authority to bind franchisors, cannot provide franchise disclosure documents, and are contractually prohibited from making franchise offers. The ultimate franchise decision remains solely between the franchisor and the candidate.

2. Regulatory Framework Alignment

The current draft appears to treat all franchise sales participants identically, regardless of their actual role or authority in the process. This one-size-fits-all approach risks creating

compliance burdens that could unintentionally stifle competition—particularly for emerging franchise brands that rely heavily on broker referrals for growth and visibility.

3. Constructive Solutions

I strongly support the development of standardized national education requirements that could be recognized reciprocally across states. This approach would directly address educational concerns while preserving the viability of franchise brokerage services, especially for smaller and emerging brands that fuel innovation and entrepreneurship.

In conclusion, I welcome the opportunity to work collaboratively with regulators, lawmakers, and fellow stakeholders to refine this legislation in a way that both advances ethical standards and preserves the essential role brokers play in supporting franchise growth.

Respectfully submitted,

Michael Davis
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