

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

Dear NASAA Project Group,

My name is Jeff Nichols and I am an independent franchise broker with over 25 years of experience serving the franchising community. Prior to my independent broker role, I worked for Snap-on Tools in a similar role as a franchise developer. I appreciate the opportunity to provide feedback on the proposed Franchise Model Act and your attention to my concerns.

I want to begin by expressing my support for the goals of enhancing ethical standards and education within franchising. These are values that franchise brokers share, as our success (and reputation) depends entirely on connecting qualified candidates with appropriate franchise opportunities.

However, I have several concerns about the proposed approach that I believe merit your consideration:

1. As an independent franchise broker, I serve as a referral source - similar to an employment recruiter who introduces qualified candidates to potential employers. I do not have authority to bind franchisors, nor can I provide franchise disclosure documents. I am contractually prohibited from making franchise offers to any of my candidates. The eventual franchise decision remains entirely between the franchisor and the candidate.
2. The current draft paints all franchise participants with the same brush, despite our different roles and authority. This approach may create compliance challenges that could limit competition by affecting new franchise brands that rely on broker referrals for growth.

Here are a few of my recommendations.

1. I support the development of standardized national education requirements that would be recognized across states for brokers. This would address educational concerns, while maintaining the viability of franchise brokerage services for emerging brands.
2. I support a national licensing program accepted by all states that would provide my candidates with more assurances that I'm qualified to guide them to make an informed business decision about a franchise opportunity.
2. I welcome the opportunity to work with your regulators to develop win-win solutions that serve all stakeholders in the franchising community.

Respectfully submitted,

Jeff Nichols  
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Member - Quantum Team  
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