

From: [Chris Whipple](#)
To: [NASAA Comments](#); [Theresa Leets](#); ["bill.beatty@dfi.wa.gov"](mailto:bill.beatty@dfi.wa.gov); [Erin Houston](#)
Subject: [EXTERNAL]NASAA Model Franchise Broker Act
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Dear NASAA Franchise Project Group,

My name is Chris Whipple, and I have worked in the franchise industry for the past four years. In that time, I've helped many individuals explore franchise ownership as a pathway to business success. My role has always been to educate, guide, and connect qualified individuals with franchise companies that may be a good fit; not to sell franchises. This perspective gives me a unique appreciation for the positive role referral and lead generation services play in the franchise ecosystem, as well as the unnecessary burdens that overly broad regulation can create.

I respectfully submit the following comments regarding the proposed Model Franchise Broker Act:

1. Overly Broad Definitions & Mischaracterization of Role

As written, the definition of "franchise broker" is far too broad. It captures individuals and companies—such as FranChoice and its consultants—who are not involved in the franchise sales process. We operate as a lead source for franchisors, similar to advertising platforms such as IFA, Entrepreneur.com, Facebook, or LinkedIn. Once a prospective franchisee is referred, it is the franchisor's sales staff (whether employees or contractors like FSOs) who conduct the actual sales process.

By lumping referral sources into the same category as those actively selling franchises, the regulation risks creating unintended and harmful consequences. Funding sources, professional service providers, and simple referral partners could be inadvertently classified as franchise brokers when, in fact, they have no role in sales.

2. Unnecessary & Burdensome Regulation of Sales Professionals

For individuals who actually are engaged in franchise sales, the proposed regulation is unnecessary, duplicative, and costly. Existing federal and state rules already govern franchise sales practices and provide clear protections for prospective franchisees. Adding another layer of registration, fees, and oversight will only increase compliance costs without delivering additional consumer protection benefits.

Small operators and consultants in particular would be disproportionately burdened. Many of us work across multiple brands and states, and the administrative load created by duplicative state-by-state requirements could put legitimate, ethical operators out of business.

3. Risk of Confusion Through State-Level Fragmentation

Finally, advocating for individual states to create their own rules and fees only multiplies complexity. Fragmented compliance frameworks create confusion for both franchisors and brokers. If additional oversight is deemed necessary, it should be addressed at the federal level by the FTC, ensuring consistent national standards and avoiding a patchwork of conflicting state requirements.

Conclusion & Alternative Approach

The franchise industry is already regulated under existing federal and state laws. Rather than broadening the definition of "franchise broker" and layering on new, duplicative compliance

obligations, a more effective approach would be to focus on enforcing existing regulations against fraud and misrepresentation. Additionally, strengthening education initiatives for prospective franchisees would provide real consumer benefits without damaging the legitimate services that help match people with opportunities.

Thank you for your consideration of these comments and for your efforts to ensure that regulation supports, rather than hinders, a healthy franchise marketplace.

To your success,



Christopher J. Whipple

Founder & Sr. Franchise Consultant
The Franchise Navigator

Direct:

(469) 995-9447

Email:

Chris@TheFranchiseNavigator.com

www.TheFranchiseNavigator.com

"An investment in knowledge pays the best interest." – Benjamin Franklin

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