From: Seth Schonberg

To: NASAA Comments; Theresa Leets; bill.beatty@dfi.wa.gov; Erin Houston

Cc: Jeff Elgin

Subject: [EXTERNAL]NASAA Model Franchise Broker Act Comments

Date: Wednesday, August 27, 2025 4:29:45 PM

Attachments: <u>image001.pnq</u>

image002.png

Good Afternoon,

My name is Seth Schonberg, and I have been in franchising for over 30 years. My experience encompasses many "hats," including Senior Vice President of Development for a Company out of Philadelphia, PA, guiding a Franchise Program to over 178 units under my guise. I then had the privilege of joining FranChoice at its inception as a Franchise Consultant and enjoy helping people discover the many benefits of Franchise ownership.

I want to express my concern over the rules you propose in the following comments:

- 1. FranChoice and its consultants do not participate in the franchise sales process—we strictly operate as a lead source for franchise companies. Our role is to connect prospective franchisees with franchisors, after which the franchisor's sales team (whether employees or outside contractors, such as FSOs) manages the actual sales process. Similar to platforms such as the IFA, Entrepreneur.com, Facebook, or LinkedIn, we simply provide introductions. Because we are not selling franchises, the current regulatory language that categorizes anyone "indirectly" involved as a broker is inaccurate and needs clarification. Without adjustment, this language could create severe unintended consequences.
- 2. For those who are directly engaged in selling franchises, the proposed regulation adds unnecessary layers of oversight. It is duplicative of existing rules, imposes extra costs, and creates administrative burdens without delivering meaningful benefits.
- **3.** Pushing for each state to develop its own version of these rules and fees would only add confusion and compliance challenges for everyone involved. If further oversight of franchise sales brokers is truly needed, it should be addressed uniformly at the national level by the FTC, rather than through a patchwork of state regulations.

Thank you in advance for your consideration in this matter.

Respectfully,

Seth Schonberg

Franchise Consultant 609-413-2113 (mobile) seth@sethschonberg.com SethSchonberg.com Schedule a Call Connect on Linkedin

The best compliment I can receive is a referral.



within their portfolio.

FranChoice I am a proud member of the FranChoice community and represent the franchise concepts

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