

**From:** [Mike Welch](#)  
**To:** [NASAA Comments](#); [Theresa Leets](#); [bill.beatty@dfi.wa.gov](mailto:bill.beatty@dfi.wa.gov); [Erin Houston](#)  
**Cc:** [Jeff Elgin](#)  
**Subject:** [EXTERNAL]NASAA Model Franchise Broker Act Comments  
**Date:** Wednesday, August 27, 2025 4:22:06 PM

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To whom it may concern,

My name is Mike Welch. Over the last 2 decades, I have been involved in many aspects of franchising. I'm writing today to express my concerns regarding The NASAA Model Franchise Broker Act.

I am a former 2X Franchisee, Franchise Sales Rep, and VP. I have been involved in small franchises as well as publicly traded franchise companies. I'm currently an investor in multiple franchise businesses, and also a consultant at FranChoice.

My concerns about The NASAA Model Franchise Broker Act are bulleted below. Please take the time to review them.

- FranChoice and its consultants are not involved in the franchise sales process – we are a lead source for franchise companies. We send candidates, which are then taken through an education/mutual due diligence/sales process by the franchise sales staff (whether internal employees or independent contractors like FSOs) and then approved by the franchisor. We are a lead source.
- The confusing language in this regulation, designed to label as a broker, anyone who is “indirectly” involved in the franchise sales process needs to be changed or the unintended consequences will be significant.
- As for people who are actually involved in the franchise sales process, this new regulation is unnecessary, burdensome, costly and duplicates rules and regulations already in place.
- Alternative Solutions
  - Rather than broad registration requirements, the industry would be better served by enforcement of existing laws against fraud and misrepresentation, along with education initiatives for prospective franchisees.
- Advocating for individual states to create their own rules and fees related to this disclosure process unnecessarily creates confusion and hardship from a compliance standpoint. If we need more

regulation of franchise sales brokers, it should be done by the FTC on a national basis.

- Existing Oversight
  - Current state and federal regulations already address the legitimate concerns raised about broker conduct. Additional layers of regulation create compliance burdens without corresponding consumer protection benefits
- Overly Broad Definitions
  - The definition of "franchise broker" in the Act is far too broad and would capture individuals who simply make referrals or provide information, not those actually engaged in franchise sales. This would require countless business professionals to register unnecessarily.
- Due Process Concerns
  - The broad definition of "franchise broker" lacks the precision required for regulatory certainty. Business professionals need clear guidance about when registration is required to avoid inadvertent violations.
- Excessive Regulatory Burden
  - The proposed registration requirements would create an overwhelming administrative burden for small operators like me. The compliance costs alone could force many of us out of business, ultimately reducing the resources available to help prospective franchisees navigate their options.
- Practical Concerns
  - The registration requirements are impractical for an industry where professionals often work with multiple brands across multiple states. The compliance costs and administrative burden would be prohibitive for many legitimate operators.

Thank you in advance for your attention to this matter.

Mike Welch, Small Business Owner

**“Inveniam Viam Aut Faciam”**

**Mike Welch – FranChoice**

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