

From: [Dru Carpenito](#)
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 4:00:04 PM
Attachments: [image001.png](#)

Hello – my name is Dru Carpenito.

I'm writing you to share my feedback on the NASAA Model Franchise Broker Act.

For context, my entire career has been in franchising (almost 20 years). I've been a franchisee, an executive with two franchise companies, and am currently a Franchise Consultant with FranChoice. Franchising has personally impacted my life, and I've seen countless other franchisees change their life.

While the intent of the act is understood, much of the language in the act is inaccurate and will have adverse effects on many within the industry, as well as on those who wish to become franchisees.

For instance, FranChoice and its consultants are not involved in the franchise sales process – we are a lead source for franchise companies. We send them leads for prospective franchisees, which are then taken through a sales process by the franchise sales staff (whether internal employees or independent contractors like FSOs). As a lead source for franchise companies, similar to internet advertising sites such as the IFA or Entrepreneur.com, or social media sites like Facebook and LinkedIn, among many other examples, we should not be included in this definition of franchise sellers because that's not our primary focus. 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.

Additionally, 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.

Fundamentally, 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.

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.

At the end of the day, the industry would be better served by the enforcement of existing laws against fraud and misrepresentation, along with education initiatives for prospective franchisees, rather than broad registration requirements.

Thank you,

Dru

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