

From: [Pete Tucker](#)
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 2:45:12 PM

To: NASAA

Dear Sirs and Madam,

My name is Pete Tucker and I am a member of FranChoice Consulting Group. I have been in the franchising business for well over 35 years as a Senior Executive, Franchisor, Franchisee, and currently as a franchise consultant. The national companies that I have been involved with have added literally thousands of jobs and tens of million dollars in revenue to the states and local communities where they operate.

While some of the companies that I have been involved with handled new franchisee recruitment directly with internal sales staff my role as a franchise consultant is much different and simply involves sending leads for perspective franchisees to the franchise sales staff whether internal employees or independent contractors like FSO's. We operate much the same as internet advertising sites such as the IFA or Entrepreneur.com, or social media sites like Facebook and LinkedIn, or many other examples, we should not be covered in this definition of franchise sellers because that's not what we do.

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.

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 as it has been for 35 years.

In addition, I would add the following points:

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.

Definition Problems

The current definition of "franchise broker" would inadvertently capture:

- Funding sources and lead generation services if paid by the franchisor

- Referral sources to the franchisor
- Professional service providers offering ancillary services

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 myself. 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.

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.

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.

The service that I and other Franchise Consultants supply is integral to the success of the franchise model and the success of candidates that we refer to franchise companies. Please do not change the current process.

Sincerely,

Pearce Tucker

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