From: Ralph Kinder
To: NASAA Comments
Cc: Jeff Elgin
Subject: [EXTERNAL]NASAA Model Franchise Broker Act Comments
Date: Wednesday, August 27, 2025 6:12:00 PM
Attachments: image001.png
image002.png
image003.png

To Whom It May Concern,

My name is Ralph Kinder, and I have spent more than 25 years in senior management across hospitality and retail, followed by over 15 years in franchise development and operations. As a franchise consultant since 2021, I have guided hundreds of professionals—many frustrated with corporate America—through the process of exploring franchise ownership. I am also the author of *Franchising Done Right: A Step-by-Step Guide to Choosing the Perfect Franchise*. My work has always centered on helping candidates make informed, confident decisions about business ownership with integrity and transparency.

I am writing to express my concerns with California's Senate Bill 919 (SB 919) and similar registration efforts being considered in other states. While I support the intent of improving transparency for prospective franchisees, the proposed framework is unnecessarily broad, duplicative, and ultimately harmful to both consultants and the very individuals it is designed to protect.

Overly Broad Definitions
The definition of "franchise broker" in SB 919 is far too expansive. By capturing anyone "indirectly" involved in the sales process, the law risks sweeping in individuals and organizations that are not actually selling franchises. Consultants like myself—and firms such as FranChoice—serve as lead sources for franchisors, not as sales agents. We make introductions; the franchisor's own sales staff handles the sales process. In practice, SB 919 would treat consultants the same as those directly engaged in franchise sales, which is both inaccurate and burdensome.

Unnecessary and Duplicative Regulation
Professionals who are truly engaged in the franchise sales process are already subject to robust federal oversight through the FTC Franchise Rule. Adding layers of state-by-state regulation, each with its own fees, filings, and disclosure requirements, creates confusion, compliance risk, and unnecessary expense. This patchwork approach only increases hardship for small operators and reduces the availability of qualified guidance for prospective franchisees.

Excessive Burden on Small Operators
The proposed registration process, disclosure filings, and annual fees create an outsized burden on independent consultants and boutique firms like mine. Compliance costs alone could force many of us out of business, ironically leaving prospective franchisees with fewer trusted advisors and fewer resources to evaluate opportunities. This is the opposite of consumer protection.

A Better Approach
If additional regulation is truly necessary, it should be addressed at the federal level through the FTC, ensuring consistency and fairness nationwide. State-by-state legislation like SB

919 only fragments the industry and makes compliance nearly impossible for professionals who work across multiple jurisdictions. Stronger enforcement of existing laws against fraud and misrepresentation, coupled with better education for prospective franchisees, would achieve the goal of transparency without crippling legitimate operators.

In closing, I urge California and other registration states to reconsider this legislation. SB 919, as written, threatens to create more confusion than clarity and places undue burdens on those of us committed to helping individuals pursue the dream of franchise ownership responsibly.

Respectfully,

Ralph Kinder
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