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To: [NASAA Comments](#); [Theresa Leets](#); bill.beatty@dfi.wa.gov; [Erin Houston](#)
Subject: [EXTERNAL]NASAA Model Franchise Broker Act Comments
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Thank you for offering to receive comments from franchise brokers.

My career in franchising started in the Fall of 2004 as a franchise sales development executive, and soon after I started working with multiple brokers groups. So I have 20+ years experience in this segment of the franchise industry. Over 10 years ago, I joined Fran Choice as a franchise broker and small business owner. I have 3 main issues to comment on.

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, just like 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.

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.

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.

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.

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.

Thank you for the opportunity to comment.

Respectfully, Terry
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