

From: [George Knauf](#)
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 3:29:17 PM

To Whom It May Concern,

My name is George Knauf, and I have been in the franchise industry for over three decades. I began my journey like many in this business—boots on the ground, learning operations firsthand, moving into franchise ownership, and eventually becoming a consultant and advisor. Over the years, I've had the privilege of guiding countless entrepreneurs as they explored franchise ownership, been an advocate for franchise owner support and services in all brands as well as working closely with franchisors to help them grow responsibly. I was even honored to represent our industry on a global stage as the only franchise consultant invited to keynote at the inaugural IFA World Franchise Show earlier this year. I share this background because it gives me a deep perspective on how franchising actually works, and why this proposed regulation is deeply concerning.

The current draft of the NASAA Model Franchise Broker Act creates real risks for the future of franchising by drawing its definitions too broadly. The way the Act is written, it sweeps into its scope individuals and organizations that are not actually involved in the franchise sales process. For example, FranChoice and its consultants act purely as lead sources. We connect people who are exploring business ownership with franchisors who may be a fit for them—nothing more. At that point, the franchisor's sales team, whether internal employees or outside contractors, takes over. In reality, our work is no different than advertising platforms like Facebook, LinkedIn, or Entrepreneur.com, or even the International Franchise Association's own franchise opportunity listings. To classify this type of referral work as "brokering" is a misunderstanding of the role, and the unintended consequences of leaving that language unchanged would be significant.

Even when considering those who are directly involved in franchise sales, the Act is duplicative and unnecessary. Franchise sales professionals already operate under strict federal and state regulations. Adding yet another set of rules on top of the existing framework will not enhance consumer protection, but it will create additional costs and burdens. For smaller operators in particular, the compliance requirements could be overwhelming, and some may not survive the increased regulatory burden. This would ultimately reduce the resources available to help prospective franchisees navigate their options.

An even greater concern is the idea of leaving compliance and fees to be set by

individual states. That approach would fracture what is already a complex regulatory environment, creating confusion and significant hardship for those of us who work with multiple brands and across multiple states. Franchising is an industry that thrives on consistency, and a patchwork of state-by-state rules would make it harder, not easier, for both franchisors and candidates. If regulators truly believe there is a need for additional oversight, the Federal Trade Commission—already the governing body for franchise sales and disclosure—would be the appropriate entity to provide it at the national level.

In short, the Act in its current form overreaches in its definitions, duplicates rules that already exist, and risks creating a confusing maze of state-level requirements. Rather than building new layers of bureaucracy, I believe our industry would be better served by enforcing the laws already in place against fraud and misrepresentation, and by improving education for prospective franchisees. That approach would provide meaningful consumer protection without threatening the livelihood of the many legitimate professionals who have dedicated their careers to supporting the franchise community.

Having lived and worked in this business for decades, I urge NASAA to reconsider and refine this proposal. Regulation must be clear, fair, and practical if it is to protect franchisees without harming the professionals and businesses that support them.

Respectfully submitted,

George Knauf

FranChoice Consultant
703-994-3099

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