

**From:** [Ray Fanning](#)  
**To:** [NASAA Comments](#); [Theresa Leets](#); [bill.beatty@dfi.wa.gov](mailto:bill.beatty@dfi.wa.gov); [Erin Houston](#)  
**Cc:** [Jeff Elgin](#)  
**Subject:** [EXTERNAL]NASAA Model Franchise Broker Act Comments  
**Date:** Wednesday, August 27, 2025 6:47:31 PM  
**Importance:** High

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Dear NASAA Comment Committee,

My name is **Ray Fanning**, and I am a consultant with **FranChoice**. I have worked in the Franchise industry since 1994. I affiliated with FranChoice in 2002 and continue to this day. During this time, I have worked with thousands of individuals who are exploring franchise ownership, providing them a process they may utilize and coaching them to evaluate whether business ownership is the right path for their lives. Importantly, FranChoice and consultants like me are **not involved in the franchise sales process**. We serve exclusively as a **lead source for franchise companies**—we introduce prospective franchisees to franchisors. From that point forward, it is the franchisor’s own sales staff (whether internal employees or independent contractors like FSOs) who handle the regulated sales process. In this way, I operate more like an advertising or referral platform (similar to IFA, Entrepreneur.com, Facebook, or LinkedIn), not a franchise seller.

I am writing to express serious concerns with the proposed **Model Franchise Broker Act**, which—though well-intentioned—contains definitions and requirements that would create significant unintended consequences for our industry and ultimately harm the very entrepreneurs these regulations aim to protect.

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## 1. Overly Broad and Confusing Definitions

The proposed Act defines “franchise broker” in such sweeping terms that it inadvertently captures individuals and organizations not actually engaged in franchise sales. By grouping referral and lead generation professionals into the same category as franchise sellers, the rule conflates two very different functions and risks **misclassifying those who are not sales participants at all**.

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## 2. Redundant and Burdensome Regulations

For those professionals who *are* directly engaged in franchise sales, the proposed regulation layers new requirements on top of a well-established framework already enforced by both state regulators and the Federal Trade Commission. Additional disclosure rules, registration mandates, and state-by-state fees do not meaningfully increase consumer protection. Instead, they introduce **costly and duplicative compliance hurdles**, particularly harmful for small operators and consultants.

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## 3. State-by-State Patchwork Creates Hardship

Encouraging individual states to set up unique rules and fees around franchise broker registration would create a **confusing patchwork of requirements**. Professionals

who work with multiple brands across multiple states—as most of us do—would face an unmanageable web of filings, deadlines, and costs. This serves no one’s interest: not the regulators, not the franchisors, and certainly not the entrepreneurs who rely on us to help them navigate this life-changing decision.

If there is a legitimate need to further regulate those directly engaged in franchise sales, that responsibility should fall to the **FTC on a national level**, not through fragmented state initiatives.

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#### 4. Practical and Consumer Protection Considerations

The compliance burden associated with the current draft would likely force many legitimate operators out of business. This would **reduce access to high-quality educational resources for prospective franchisees**, ironically leaving them more vulnerable to misinformation and poor decisions.

Rather than expanding registration requirements to include those outside of the sales process, regulators could better serve consumers by focusing on:

- Strong enforcement of existing fraud and misrepresentation laws
  - Providing prospective franchisees with more robust **educational tools and resources**
  - Ensuring clarity and precision in how “franchise broker” is defined
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#### Conclusion

As someone who has dedicated his career to providing individuals a process to make informed and responsible franchise decisions, I urge you to reconsider the scope of the Model Franchise Broker Act. By tightening its definitions and avoiding unnecessary regulatory duplication, NASAA can protect consumers while ensuring that legitimate consultants and lead generation professionals can continue serving entrepreneurs without undue burden.

Thank you for your attention to this matter and for the opportunity to share my perspective. I would be happy to provide additional clarification or participate further in discussions about how to best safeguard prospective franchisees while keeping the industry efficient, transparent, and fair.

Respectfully,

**Ray Fanning, MBA**  
**Franchise Consultant**  
**FranChoice**

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