

From: [Qwincy Houston](#)
To: [NASAA Comments](#); [Theresa Leets](#); bill.beatty@dfi.wa.gov; [Erin Houston](#)
Cc: [Jeff Elgin](#)
Subject: [EXTERNAL]NASAA Model Franchise Broker Act Comments
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Qwincy Houston
Franchise Consultant-FranChoice
Lutz, Florida

Dear NASAA Franchise Project Group,

Thank you for the opportunity to comment. I've spent nearly 20 years working in education, a highly regulated field where compliance and clear procedures matter every day. For a little over three years, I've served as a FranChoice consultant, and I've also owned a small business. That mix, regulated-industry experience, franchise advising, and ownership, shapes how I look at the proposed Model Franchise Broker Act.

First, a quick note about what I do in practice. I speak with people who are curious about business ownership. I help them clarify goals, risk tolerance, and lifestyle fit. If a candidate asks me to, I introduce them to one or more franchisors that might match. Then I step back. From that point forward, the franchisor's sales team (employees or FSOs) handles the disclosures, validation calls, earnings claims (if any), and every part of the sales process. In other words, I'm a lead source; No different in function from an industry listing site or a social platform where a candidate discovers a brand.

With that context, I have three concerns:

1. **Lead generation isn't franchise sales.** The current draft appears to treat anyone "indirectly" involved as a broker. That would sweep in neutral referral and advertising channels that don't make offers, negotiate terms, or accept consideration for a sale. It would also confuse candidates about who actually represents the franchisor. A simple fix is to anchor the definition to **material involvement** in core sales activity (offering, soliciting, negotiating, or taking consideration) and to add clear carve-outs for advertising, referrals at a consumer's request, professional services, and general education.
2. **For those truly selling franchises, the rule layers on cost without new protection.** Federal and state rules already govern sales conduct. Adding individual registrations, fees, and recordkeeping on top of those frameworks,

especially for people who work across multiple brands and many states—creates heavy friction for small operators. If there are gaps, targeted enforcement of existing law is the better path than a whole new registration regime.

3. **A state-by-state patchwork would be hard to navigate and easy to get wrong.** The people who most need clarity are often evaluating one or two units while juggling families and day jobs. Fifty versions of similar requirements increase cost and risk without improving outcomes. If added oversight of franchise sales brokers is warranted, it should be addressed by current Federal agencies so the rules are uniform nationwide.

I share your goal of strong consumer protection and transparent disclosures. Narrowing the definition to those materially engaged in sales, adding explicit safe harbors for lead generation and education, and avoiding a state-by-state patchwork would protect candidates while keeping the market open and understandable.

Thank you for considering my perspective. Jeff Elgin with FranChoice is happy to answer questions or provide specific text suggestions if helpful.

Sincerely,

Qwincy Houston

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