

I hope this note finds you well,

My name is Patrick Donohue, and I have been a consultant at FranChoice for 13 years. Prior to that I was the Vice President of Sales for Driven Brands for 9 years. During my tenure running franchise development at Driven Brands, I completely overhauled the franchise development process including working with consultant networks for the first time in the history of the 40-year-old brands. This allowed us to find better leads that became better franchisees. Driven Brands was able to spend less money; my team spent more time with better leads.

I chose to become a consultant so that I could help people find the courage to start a business. Consultants play a crucial role in lead generation. I have over 150 testimonials of people who I have coached. I know that this role I play has impacted so many people.

Please consider that the definitions being considered are too broad, we are not brokers but consultants as we are not agents of the sale nor do we deliver information.

#### Overly Broad Definitions

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 engaged in franchise sales. This would require countless business professionals to register unnecessarily.

#### Definition Problems

The current definition of "franchise broker" would inadvertently capture:

- Funding sources and lead generation services if paid by the franchisor.
- Referral sources to the franchisor
- Professional service providers offering ancillary services.

#### Due Process Concerns

The broad definition of "franchise broker" lacks the precision required for regulatory certainty. Business professionals need clear guidance about when registration is required to avoid inadvertent violations.

#### Excessive Regulatory Burden

The proposed registration requirements would create an overwhelming administrative burden for small operators like me. The compliance costs alone could force many of us out of business, ultimately reducing the resources available to help prospective franchisees navigate their options.

#### Practical Concerns

The registration requirements are impractical for an industry where professionals often work with multiple brands across multiple states. The compliance costs and administrative burden would be prohibitive for many legitimate operators.

### Existing Oversight

Current state and federal regulations already address the legitimate concerns raised about broker conduct. Additional layers of regulation create compliance burdens without corresponding consumer protection benefits.

### Alternative Solutions

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.

Thank you for your consideration.

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**Franchise Consultant**



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