

**From:** [John Ghabra](#)  
**To:** [NASAA Comments](#); [Theresa Leets](#); [bill.beatty@dfi.wa.gov](mailto:bill.beatty@dfi.wa.gov); [Erin Houston](#)  
**Subject:** [EXTERNAL]Subject: NASAA Model Franchise Broker Act Comments  
**Date:** Wednesday, August 27, 2025 3:57:58 PM

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To Whom It May Concern,

I am writing to provide comments on the proposed NASAA Model Franchise Broker Act. I appreciate the opportunity to share my perspective and would like to highlight several areas of concern.

Little about me:

I served in the United States Marine Corps and am a veteran of Desert Storm. While serving, I also ran a small business, which quickly revealed my entrepreneurial spirit. Over the past 30 years, I have honed my expertise in all aspects of business and franchising.

I am passionate about helping aspiring entrepreneurs navigate the journey of business ownership. As a strong supporter of the franchise system, I understand the importance of finding the right match for each candidate. My true passion lies in helping others achieve and exceed their life goals by living the entrepreneurial dream. I work closely with individuals to clarify their goals, strengths, and passions, and guide them in exploring various franchise concepts to identify the opportunities that best align with their lifestyle and financial objectives.

## **Main issues & comments:**

### **1. Overly Broad Definitions**

As a franchise broker, I help executives, entrepreneurs, and prospective business owners identify the business opportunity that best fits their goals by providing personalized franchise consulting services. While I guide and advise clients throughout the exploration process, I am not involved in the franchise sales process. My role is strictly as a lead source, connecting prospective franchisees with franchise companies, who then manage the sales process through their internal teams or independent contractors. Similar to advertising platforms such as the IFA, Entrepreneur.com, or social media channels like Facebook and LinkedIn, my focus is solely on generating leads and facilitating introductions.

***The current language in the Act, which appears to capture anyone “indirectly” involved in franchise sales, is overly broad and could unintentionally classify lead sources and referral providers as franchise brokers. This would impose unnecessary obligations on countless professionals who are not engaged in actual franchise sales.***

### **2. Unnecessary and Duplicative Regulation**

For individuals or entities that are directly involved in franchise sales, the proposed regulation is redundant, costly, and burdensome, duplicating rules already in place at the federal and state levels.

### **3. State-by-State Compliance Concerns**

Allowing individual states to impose separate rules and fees related to the disclosure process would create significant confusion and compliance challenges. If additional regulation is necessary, it should be handled at the national level by the FTC to ensure consistency and clarity.

**Overly Broad Definitions:**

The definition of “franchise broker” is far too expansive and would unnecessarily include individuals who simply provide referrals, funding sources, or lead generation services—not those actually engaged in franchise sales. This overreach would force countless professionals to register even though they are not involved in the sales process.

**Due Process and Clarity:**

The lack of precision in the definition creates uncertainty for business professionals who need clear, consistent guidance to avoid inadvertent violations.

**Excessive Burden on Small Operators:**

The proposed registration requirements would impose substantial administrative and financial burdens, particularly on small operators. Compliance costs alone could push many out of business, limiting the resources available to help prospective franchisees explore opportunities.

**Practical Challenges:**

Because franchise consultants often work with multiple brands across various states, a patchwork of state-level rules and fees would be impractical, confusing, and prohibitively costly.

**Existing Oversight:**

Federal and state regulations already govern broker conduct. Adding another regulatory layer would increase compliance costs without offering meaningful additional consumer protection.

**Alternative Solutions:**

Instead of broad new requirements, I urge NASAA to consider:

- Enforcing existing laws against fraud and misrepresentation
- Supporting education initiatives for prospective franchisees

**These approaches would strengthen consumer protections without creating undue burdens on legitimate operators.**

Thank you for your consideration of these comments. I respectfully encourage NASAA to refine the proposed Act to ensure it achieves its consumer protection goals without creating unnecessary and harmful consequences for professionals who support the franchise community. I urge NASAA to refine the definition of “**franchise broker**,” avoid duplicative or burdensome requirements, and prioritize regulatory clarity and practicality for professionals who support franchise growth.

Thank you for considering my comments.

John Ghabra



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