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Subject: Technical Comments on NASAA Model Franchise Broker Registration Act

Dear NASAA Project Group:

I am submitting comments on the proposed Model Franchise Broker Registration Act from my perspective as a relatively new franchise consultant but with 10 years' experience as a Business Advisor and Broker in the state of Florida. My professional practice involves advising foreign investors mostly of Hispanic origin, wanting to buy operating businesses or, franchises for purely investment objectives or, to apply for the E2 or L1 investment visas to USA. Previously, before moving to the US, I was a banking executive and later, founded my own investment banking and brokerage firm with extensive ties and business with the US financial sector, for a total of 38 years' experience in that sector.

Definition Problems

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

- Existing franchisees making referrals above \$5,000 annually
- Funding sources and lead generation services, if paid by the franchisor
- Referral sources to the franchisor
- Professional service providers offering ancillary services

Jurisdictional Concerns

Requiring submission to a registration state's jurisdiction is problematic for a national industry. This creates a patchwork of jurisdictional requirements that would be unworkable for businesses operating across state lines.

Disclosure Confusion

The requirement for multiple disclosure documents would confuse prospective franchisees rather than help them. The franchise industry already has comprehensive disclosure requirements through FTC regulations.

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.

I recommend that NASAA work with industry stakeholders to address specific problematic practices rather than implementing broad registration requirements that would harm legitimate business relationships.

Best regards,

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