

From: [Michael Pollock](#)
To: [NASAA Comments](#)
Subject: [EXTERNAL]Comments on the Franchise Broker Registration Act
Date: Friday, June 14, 2024 9:18:26 AM

Greetings,

My name is Michael Pollock and I have been in franchising for over 25 years. I have been a franchisee, I have been part owner of a franchise company, I have been a franchise broker / headhunter, and currently I own a franchise sales outsourcing company.

I would like to comment as to how my business works. We work primarily with emerging franchise companies that tend to do everything they can to always stay focused on supporting their franchisees. The problem we help solve for these companies is we allow them to always stay focused on support, while we take on the burden of screen through prospective franchisees which includes educating the prospects, collecting detailed information from the prospect, reviewing what an FDD is and how to go about researching it, assisting them with introductions to financial resources to help them obtain adequate funding, etc. The challenge emerging brands have is franchise growth takes enormous resources from the senior team of any young franchise company, which in turn takes away from the support they are able to provide. It really becomes an pendulum, where most franchise companies (both mature as well as emerging) are either good at Supporting their franchisees, or they are good at Selling new franchise locations. VERY RARELY is a franchise company good at both, until they get to 50 units, at which point royalty money coming in is adequate enough for a franchise company to bring the franchise sales/development in house.

I am 100% onboard with being transparent for items that could negatively affect a potential buyer, however, disclosing the amounts that a franchisor is paying for their sales team, regardless if it is an employee who has been hired or if it is a Franchise Sales Outsourcing company, has no affect on a buyer. I agree that a buyer should know that a sales person is either a direct employee or an outsourced service. However if a franchise company chooses to pay a sales person a lot of money or a little amount of money... or if a franchise company chooses to pay an outsourced entity a lot or a little amount of money is completely irrelevant to the buyer.

I would be happy to discuss more in person, as I have been in franchising for quite some time and love our industry!

Best Regards,
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