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To: [NASA Comments](#)
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Subject: [EXTERNAL]Proposed NASAA Model Franchise Broker Registration Act - FRANSERVE INC
Date: Thursday, June 13, 2024 11:11:25 PM
Attachments: [image001.png](#)
[image007.png](#)
[image008.png](#)

Hello NASAA:

I am the CEO & President of FranServe Inc., the largest broker group in the franchise community, and I am also the founder of the Franchise Broker Coalition. My background is a bit unusual. I started my career in franchising in 2014 as a franchise broker with FranServe. I joke that before that, I could spell franchising but knew nothing much more about it. FranServe provided outstanding training and mentorship, and I became very good at helping people find franchises they loved. Two years later, I was approached to purchase FranServe, as the founder wanted to retire. And I did just that! In 2016 I went from franchise consultant to franchise broker group owner. So, I have walked the walk of a franchise broker, then loved it so much I purchased the company. Together with my fran-tastic team, we have grown it to be the largest in the broker space. Our core values are simple: 1) Integrity is Everything 2) Grow or Die 3) Teamwork Gets Results

I am writing to you to (1) applaud the concept of a broker registration / disclosure document as I think it will help to weed out the bad actors and help the public to understand the role of a broker. (2) Shed some light on a few points that I think need tweaking/clarification to better serve all. While there are numerous points that I am in agreement with regarding your draft, these are the points that I wish to comment upon. I appreciate your consideration:

Definitions:

In reading your draft, it is unclear to me what exactly is the difference between a "franchise broker" and a "franchise broker representative." Perhaps a description of the role / activities for each would make it clearer or perhaps it is a different term that needs to be used altogether. As it stands, it's quite confusing.

Disclosure:

I ask you to put yourself into the position of a potential franchisee. They click on an ad on the Internet and receive an email from a broker. Fed up with their corporate job, they take the first step toward business ownership – a bit of a scary step for most – and respond to the broker. Before any trust is built, the broker must send documentation to the person disclosing all the info that your Act requires. If they have clicked on more than one ad, which most do, they are going to receive several – if not many -- of these documents. At a time when someone is putting a toe in the water, being inundated with lots of documents and files can shut down the desire to take step #2. I say this with certainty: my early career was a certified life and career coach, and I understand how fear can close people down.

To that end, I would request that the disclosure be more in line with when the Franchise Agreement is going to be signed. At that time, the potential franchisee is familiar with the lingo, has built trust with the broker, and will review the document without emotion, simply reviewing facts.

I would also ask that the privacy of information contained within the document, such as full information of prior clients, be omitted. I know I would not want my contact information shared with complete strangers without my permission. Detailed contact information only opens the door to more problems and issues.

Material Change:

A clearer understanding of what is defined as "a material change" is needed. Litigation, criminal actions/history certainly; number of brands by industry, number of industries, etc., will be impossible to amend on an ongoing basis. These can change daily, with brands entering and exiting our inventory. I cannot conceive of the administration work to keep up with the constant changes of day-to-day operations. To that end, I suggest annually, barring any criminal/litigation change.

Compensation:

A simple acknowledgement that a broker is paid a referral fee if a candidate invests in a brand the broker has introduced to the candidate goes a long way to educate the public. A range of

percentage is sufficient as franchisor and brokers talk that way amongst themselves: "Referral payment is 25% of the franchise fee," for example. Since each brand sets the referral payment to the broker, the numbers are a wide range. Lost cost investment brands typically pay much less than brands whose model is more complex or requires a higher net worth individual. There is no 'standard' as a referral payment and it would be invasive for any broker to disclose anything that resembled earnings.

10 Years of Records:

I politely ask, what will ten years of records show? Most likely, that someone is good at record keeping -- and not much more! Why ten years when three years will show much more relevant and current information? I would move to change this requirement to three years.

In closing, I will say that FranServe Inc. has internally had its own Broker Disclosure Document for several years. We created that proactively, to promote responsible franchising and also to show our transparency within the community. As a member of the International Franchise Association (IFA), I also sit on numerous boards and committees, all with the same goal as my peers: to positively change people's lives through franchise ownership! I look forward to working with you to ensure a strong future for franchising.

Core Values: ~ Integrity is Everything ... Grow or Die ... Teamwork Gets Results ~



**Alesia L. Visconti, CFE, CAFC, CFC
CEO & President**

[LinkedIn Profile](#)

- * FranServe named as a *Fastest Growing Company in America* by Inc. – 2024
- * Honored as a *Top Woman in Franchising* - 2024
- * Cited as a *Top 100 Franchise Influencer* – 2024, 2023, 2022, 2021
- * Named a *Top Woman Leader in New Jersey* – 2023
- * Earned *Top Franchise Voice* – LinkedIn 2024
- * Recognized as a *Top Team Building Expert* – LinkedIn 2024



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