

From: IAFPC Board of Directors
Sent: Thursday, December 19, 2024 1:47 AM
To: NASAA Comments
Cc: Amy Kopleton; James Nix
Subject: Response to Invitation for Comments on Broker Disclosure & Behavior

Ms. Kopleton and Mr. Nix,

As the Board of Directors for the Independent Association of Fetch Pet Care, a chapter of American Association of Franchise Dealers, we are helping our members submit to your invitation for comments. These members would like to stay anonymous, in fear of retaliation from the Franchisor, Phoenix Franchise Brands, owned by Greg and Maria Longe. Phoenix Franchise Brands' main brokerage firm is Rhino7, which acts as the gate-keeper for Phoenix in terms of the information shared out to independent brokers and submitting candidates to Phoenix Franchise Brands. Phoenix Franchise Brands is responsible for truthful disclosures, which we have found to not be the case. Rhino7 as their broker is not doing their due diligence in vetting the information they are selling with, and as a result, a part of disseminating the deceptive representation of what franchisees are receiving for their investment.

This submission is from a member who purchased one Fetch! Pet Care location under the "Managed Service" model. In this model, franchisees pay an additional fee for the corporate team to ramp up and manage the business for the franchisee. The franchisee is a silent investor in this model. This submission outlines the points of his contract that are not met at every step.

"My Rhino7 broker shared information that was ultimately deceptively in the following ways saying that

- Phoenix Brands CEO Greg Longe has created an environment where "genuine conversations flourish", when in actuality there is no open communication allowed between franchisees
- Fetch! Pet Care has nearly 200 franchises across 40 states, when in reality they have much less based on inactive franchises
- Fetch's Sales and Marketing (call) Center (SMC) helps bring clients and sitters together to build a franchisee's business, when in actuality the SMC struggles to do so
- Franchisees can earn between \$76k and \$760k per year, through data collected through the franchise point-of-sale software, which is safe to believe even though it hasn't been audited. Sales per franchisee in reality are much less
- I will have a dedicated staff of pet sitters via applicants who want to join any franchise, and who will be long-term employees. In reality, I have sitters who have to be dropped due to inactivity and not wanting to perform services

- Fetch! Pet care provides those like me, who pay for the "Managed services" option, with a general manager who will be trained to take over the management of my business. The reality is that they have struggled to hire a general manager, and thus my franchise has not generated any consistent revenue"

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As you can see, there has been deception at every step. In this particular case, Rhino7 has direct relationship with Phoenix Franchise Brands, sharing the same ownership. They knew exactly what they were doing. We urge you to make brokers and franchisors prove what's in their disclosures and submit data to support heir claims. Franchisee candidates should also be ale to speak freely to existing franchisees in the system of their choice, not the franchisor's choice, in order to validate the experience. Though this should be obvious, most of the phone numbers listed in Phoenix Franchise Brands' FDDs go directly to the call center where inquiries go into a void.

Thank you for your attention,

IAFPC Board of Directors.