

VIA Email
July 6, 2018

Gentlemen,

I have reviewed the North American Securities Administrators Association, Inc. (“NASAA”) request for public comments on a proposal to revise the instructions to the NASAA Franchise Registration and Disclosure Guidelines for filing the state cover page to franchise disclosure documents (the “Proposal”). I have two comments for your consideration.

On the page entitled “**How to Use this Franchise Disclosure Document**”, the response to the second question (“How much will I need to invest?”) is introduced with the response phrase “Items 5 and 6 list fees you will be paying to the Franchisor **and** (emphasis applied) at the Franchisor’s direction . . .” I suggest that you substitute “or” for “and”. Use of the conjunction “and” might suggest to some that the only fees listed are those that are paid pursuant to both conditions as opposed to each in the alternative.

A second comment relates to the explanation of certain operating restrictions on the page headed “**Whatever You Need to Know about Franchising Generally**”. I suggest that you incorporate a sentence explaining limitations that may be imposed upon a franchisee’s sales activities (e.g., limited territorial rights, restrictions on Internet sales, etc.) as well as the franchisor’s ability to compete with the franchisee’s territory (e.g., Internet sales, special venues, acquisitions of competitors, sale of competing goods or services under a separate brand, etc.).

Thank you for presenting me with this opportunity to respond to the Proposal.

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