

North American Securities Administrators Association, Inc. (NASAA)

Corporation Finance Section/ Franchise and Business Opportunities Project Group

750 First Street, N.E., Suite 1140

Washington, D.C. 20002

December 28, 2021

RE: REQUEST FOR PUBLIC COMMENT: PROPOSED STATEMENT OF POLICY REGARDING THE USE OF FRANCHISE QUESTIONNAIRES AND ACKNOWLEDGMENTS

Dear Administrators:

My name is Jim Lager. As a successful multi-unit franchisee whose experience spans two decades with three national franchise brands, I believe my experience and opinions would be a positive contribution to both this discussion and similar debates on franchise legislation being held by Congress and the FTC.

I prepared a three-page response to submit to you in support of the proposed S.O.P. regarding questionnaires & disclaimers. In addition to other observations, I documented specific, real-life examples of how some franchisors deliver illegal earnings claims in such a way that franchise prospects never suspect that they have received earnings claims. At the time of signing the FA, the unsuspecting franchisee would truthfully, but incorrectly, disclaim having received earnings claims, as they were still unaware that they had been fooled.

I have been forbidden from submitting my views or experiences to NASAA by my former franchisor, franchisor's counsel and the prominent franchisor attorney who served as a mediator from submitting this letter or participating in this discussion. My proposed submission letter to NASAA does not name or identify my former franchisor or their industry. In fact, I do not know whether the franchisor uses such questionnaires or acknowledgements. They claim my participation in NASAA's review and discussions would be a violation of the NDA I had no choice but to sign, and threaten me with further legal attacks.

In October, 2020 these same parties prevented me from submitting my opinions to an invitation by the FTC on The Franchise Rule. Similarly, my letter did not contain any trade secrets or even the name of the franchisor.

Former franchisees like me who had negative franchise experiences, were defrauded and/or engaged in disputes, arbitration, mediation or litigation with their franchisors have first-hand experience and critical insights into this and related issues. However, most of us had no choice but to sign NDAs. We did not, however, intend to sign over our right to participate in legislative or political discussions, to surrender our freedom of speech, or transfer ownership of our voices as American citizens.

I believe that NASAA's (and the FTC's) public discussions of franchise practices, pre-sale disclosures and regulations will be incomplete and ineffective if franchisors & their highly paid attorneys are allowed to exclude those with the most experience: their victims.

I am respectfully requesting clarification: *Do franchisors, their attorneys and pro-franchisor mediators have the legal right to forbid me and other franchisees who signed standard NDAs from participating in NASAA's invitation for public comment and discussions?*

Thank you,

Jim Lager

Honorably Discharged Veteran, U.S. Army

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