



**CFA VOICE**

**April 6, 2023**

*The CFA VOICE is the monthly newsletter for Coalition of Franchisee Associations member franchisees. Representing OVER 46,000 franchisees owning over 122,000 franchises and employing over 2.7 million people, CFA is the Voice of the Franchisee.*

### **LETTER FROM THE CHAIRMAN**

Dear CFA Members:

Welcome to spring! Some of you may be familiar with the old adage, "March comes in like a lion and leaves like a lamb." While this is in reference to the weather, I feel it also describes how the legislative landscape has been for the past month.

With the recent Federal Trade Commission (FTC) proposed rule on non-competes, and their request for comments on franchise agreements and franchisor business practices, the CFA has been working hard to ensure we are leveraging the collective strengths of our franchisee associations for the benefit of the franchisee community.

In case you missed our communications, please read below and learn how you can be an active participant on these two key issues:

#### **Non-Compete**

On Jan. 5, the Federal Trade Commission (FTC) published a proposed rule that would ban post-termination non-compete covenants in employment agreements – both for existing and future contracts. **While the proposal does not apply to franchise agreements, the FTC has specifically asked for comments on whether it (i.e., the ban on non-compete clauses) should apply to franchise agreements.**

**The Coalition of Franchisee Associations (CFA) urges all franchisees and franchisee associations to respond to the FTC requests and file individual [comments](#) on this important issue.**

#### **FTC Request for Comments**

On March 10, the Federal Trade Commission (FTC) issued a request for comments on franchise agreements and franchisor business practices, including how franchisors may exert control over franchisees and their workers. In its request, the FTC asked for franchisors, franchisees, current and past employees of franchisors and franchisees, government entities, economists, attorneys,

academics, consumers and other interested parties to weigh in on a wide array of issues that affect franchisees and their employees.

**Click [HERE](#) to learn how you can submit your comments and do your part to help protect franchisees across the country.**

### **CFA Day Forum**

SAVE THE DATE - Mark your calendars and join the Coalition of Franchisee Associations (CFA) in Washington, D.C., June 19-22, for our 2023 CFA Day Forum at the Omni Shoreham Hotel! We have a great lineup of speakers, informational sessions, hill visits and networking opportunities with fellow franchisees and congressional staff. Registration details will be available soon!

In closing, we hope you will take this opportunity to submit your comments on both the FTC issues noted above. Your participation is critical to help protect franchisees and now is the time to have your voices heard!

Thank you for your support and we look forward to seeing you in Washington, D.C.!

Best,  
John Motta  
CFA Chairman

## **POLITICAL AND GOVERNMENT NEWS**

### **FTC Seeks Public Comment on Franchisors Exerting Control Over Franchisees and Workers**

The Federal Trade Commission requests comment on franchise agreements and franchisor business practices, including how franchisors may exert control over franchisees and their workers.

Read more: [Federal Trade Commission](#)

### **All Eyes on California as Fast-Food Worker Rights Land on the 2024 Ballot**

The passage of the FAST Recovery Act was seen as a watershed moment for workers who have long been striking and demanding better pay. Now, all eyes are on the battle in California at a time when fast-food workers around the nation still work for minimum wage and the federal tipped minimum wage — the rate tipped workers are paid in addition to tips — is \$2.13. Industry experts say similar legislation could pass in other states with Democratic legislatures and governors, like New York and Michigan.

Read more: [Civil Eats](#)

### **IRS Warns of Ongoing Fake W-2 Form Scam**

The Internal Revenue Service (IRS) has issued a consumer alert warning taxpayers about new scams that involve claiming false tax credits by using wage information on tax returns. The scam artists suggest that people use tax software to manually fill out Form W-2 and include false income information. They instruct people to file the bogus tax return electronically in hopes of receiving a large refund due to the large amount of withholding.

Read more: [Small Business Trends](#)

### **Non-Compete Clause Ban Will Have ‘Disastrous Effect’ on Small Business**

HR leaders now have until April 19, to voice their concerns regarding the Federal Trade Commission (FTC)’s proposal to ban non-compete clauses. If enacted, the ban will have a “disastrous effect” on small businesses, potentially forcing some to shut their doors and cease operations, according to employment attorney Harvey R. Linder.

Read more: [Human Resources Director](#)

## BUSINESS SMARTS

### Five Strategies for Building a More Resilient and Innovative Work Culture

Being resilient and innovative can make a huge difference when it comes to community safety and care. Because these two concepts are of the utmost importance to us and our team, we let them guide our practices when it comes to running our business effectively. So, with that in mind, here are the top five practices that our core business team engages in that foster resilience and innovation in every part of the work that we do.

Read more: [Forbes](#)

### What Relationship Marketing Can Mean for Your Business

If you haven't tried it yet, relationship marketing is a way to boost sales, overcome digital fatigue and finally get your message out to the masses. Let's look at what relationship marketing is and how it can transform your business.

Read more: [Forbes](#)



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