

**From:** [Pat & Cindy Hyland](#)  
**To:** [NASAA Comments](#)  
**Cc:** [Theresa Leets](#); [bill.beatty@dfi.wa.gov](mailto:bill.beatty@dfi.wa.gov); [Erin Houston](#)  
**Subject:** [EXTERNAL]  
**Date:** Wednesday, June 12, 2024 12:24:16 PM

---

Dear NASAA,

I'm reaching out to you as a franchise owner with concerns regarding the proposed NASAA Model Franchise Broker Registration Act. While I appreciate efforts to regulate the franchise industry, certain aspects of the current model raise significant issues from the perspective of franchise owners like myself.

Franchise brokers serve as vital intermediaries in connecting potential franchisees with franchisors. However, the proposed Act, in its current form, threatens to complicate the franchise sales process and potentially deter prospective franchisees.

One major concern is the burden placed on franchisors to ensure compliance with broker registration. With the frequent turnover of brokers and lack of a centralized database, tracking registrations becomes overly burdensome, diverting resources from core business activities.

Moreover, the Act's disclosure requirements lack nuance and may lead to confusion among prospective franchisees. Requiring brokers to disclose "all compensation" fails to account for the diverse nature of broker-client relationships, where compensation often varies based on outcomes.

From an operational standpoint, the timing of disclosure documents is critical. Premature disclosure may intimidate potential franchisees and hinder their exploration of franchise opportunities. A more balanced approach is needed to ensure transparency without impeding the sales process.

Additionally, the Act's insistence on disclosing client lists raises privacy concerns for franchise owners. Confidentiality is essential in our industry, and premature access to client information could undermine trust and confidentiality between brokers and clients.

I urge NASAA to reconsider these provisions and collaborate with stakeholders to develop a regulatory framework that promotes transparency while minimizing administrative burdens on franchisors and brokers. Clear and practical regulations will foster a healthier franchise ecosystem, benefiting all stakeholders involved.

Thank you for your attention to these concerns. I'm available to discuss further and provide additional insights from the perspective of franchise owners.

Sincerely,

Patrick Hyland

Franchise Owner - Scenthound