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June 9, 2024

Sent to: NASAAComments@nasaa.org

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RE: Request for Public Comment on the Proposed Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments.

Thank you for the opportunity to comment on the proposed statement of policy (SOP) regarding the use of franchise questionnaires and acknowledgments. My name is Lara Breuche, and I have been a Premier Martial Arts (PMA) franchisee since 2019. Prior to becoming a franchisee, I with my Husband, I co-owned and operated *Everafter Inc.* a 10,000 sq ft home furnishings and interior design store Aug. 1999-Oct. 2016, located in East Brunswick NJ. We also owned and operated *Prospect Car Wash*, a full-service car wash located in Ewing NJ, 2018-2023. I have been a Commercial Landlord (*sole owner of Jericho Travel Inc.*) 1994 till present. *What I am trying to say is I am not a new business owner. I am a hard worker. (In order give more context, I should also add I have been a paraplegic since a Car accident in 1987 at the age of 16.)*

While it sounds like Money was flowing in, we closed the furniture store because the market was changing. We felt to continue we would have to move to online sales. As my husband could manage the car wash business, I began to research franchises in 2018. Many of the franchise models required a lot of capital for build outs and operating expenses. I didn't just want a lucrative model, I wanted quality of life and I wanted my efforts to mean something to the community. When I was presented with Premier Martial Arts (PMA) by my franchise broker Marilyn Imparato, (The Franchise Consulting Company) it immediately resonated. Why did it resonate? Low overhead, Quick ROI, Small footprint, little buildout. I was then put in touch with the development company Franchise Fastlane. I attended the very next discovery day In Knoxville TN. I was told over and over that this was a semi absentee model, and I could start with 1 staff member. Instructor/Program Director (sales). PMA would approve them and fully train them to teach and run the studio.

- The company was well branded.
- They didn't just teach 1 type of martial arts but multiple types for a well rounded approach that incorporated many skills and techniques.
- Significant and quick ROI
- If our demographics for our locations (which they would approve) were in line then they practically guaranteed my success.
- They did our marketing
- They trained our staff
- They made it sound so, so easy

At Discovery day, Both the Founder of PMA Barry VanOver and Franchise Fastlane representative, Brent Seebohm, talked about the 48% EBITA, the simple 60 day build out, Only 1.5 employees, with 75+ locations open in 24 states. Of course we assume it is the franchise model that has 75+ locations open. As it was always my understanding that if you didn't have a certain number of exact business models open you were not allowed to sell franchise locations to people. Well they didn't have any open. The units that were open and running were former licensee agreements turned franchisee. They were larger sq ft units, therefore held more students. They were owned by long term Martial artists that were running and instructing. As I write this letter it is now 2024 and I have been open for over 4 years. The business model doesn't work. It has since been admitted by PMA and Barry VanOver that this was in fact an Owner operator model and the ROI quoted was for these larger owner operator locations. So tell me how a paraplegic with not only little to no martial arts knowledge but without the capability to kick could possibly operate one of these let alone the multiple units I purchased. Since I signed on to PMA over 700 units were sold to (I would like to say idiots like myself, but over 100 owners were scammed and lied to so I guess I should not feel so badly, however I destroyed my family Finances and my self worth, my esteem, my confidence. I am haunted every day by the decision I made to open a PMA location. At least 1 PMA location goes out of business every month across the United States. I ask every day "why wasn't better screening in place?" This is not just a story about one man buying a small business he just didn't have the skillset to operate or didn't do his due diligence and is not having success at the level he expected. Over 100 people were told over and over and practically promised and guaranteed success. We are all failing we all feel like failures. Many owners have filed personally bankruptcy. I have exercised my right to arbitration as stated in my Franchise agreement, In hopes to recover some of my losses. (Barry VanOver sold PMA to Unleashed Brands for tens of millions of dollars, some say 50 mil some say 60 mil.) I know there are other brands out there that have also deceived people in a big way. (although I prefer to say committed fraud.)

With my franchise experience as it has been, I am in full support of NASAA's proposed SOP. I do believe at one time franchising was a great avenue to business ownership. It may still be, however Noone should have to endure the lies and financial ruins as myself and fellow Premier Martial Arts franchisees have. Sadly I could go on and on but I would like to add one last fact. In Feb of 2020, Myself and my PMA approved Instructor went to Knoxville TN for training. PMA and Franchise Fastlane coupled it with a discovery day. I remember that far back feeling like PMA just didn't have a handle on things. The training

was unorganized and insufficient and inefficient. I asked Brent Seebohm of Franchise Fastlane, “ when are you going to slow down selling units so they can give the current Franchisees the attention they needed.” He said “ never! We are not and there is no reason to” I said, “ this is not sustainable”. I truly wished I would have cut my losses and walked away at that moment.

Thank you for your time reading and listening to my experience. I do hope you can put systems in place where these stories end with PMA. If you have the power to implement change I believe it is your duty to do so.

Yours Truly,

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