From: Hope Machado

To: NASAA Comments; Theresa Leets; bill.beatty@dfi.wa.gov

Subject: [EXTERNAL]Comments on Proposed Model Franchise Broker Registration Act

Date: Wednesday, August 27, 2025 4:05:23 PM

Dear NASAA Regulators,

With many years of experience in franchising — both as a multi-unit franchise owner and now as a franchise consultant — I have seen the challenges as well as the extraordinary capacity of franchising to create opportunity and economic growth. I am writing to express serious concerns regarding the proposed Model Franchise Broker Registration Act.

Industry Knowledge

Through my own ownership experience and my current work advising franchise candidates, I have seen how legitimate brokers provide valuable guidance that benefits both franchisors and franchisees. The proposed regulation would eliminate many ethical professionals while doing little to deter the few bad actors who already disregard existing laws.

Real-World Impact

Brokers play an especially important role for emerging brands that rely on professional guidance to compete with large, established systems. Restricting these partnerships would tilt the playing field further toward dominant players, reducing innovation and limiting opportunity for new entrepreneurs.

Practical Concerns

The registration framework outlined is impractical in an industry where brokers often represent multiple brands across multiple states. The compliance costs and administrative burden would be prohibitive for many reputable operators, shrinking the pool of qualified professionals available to support franchise growth.

Alternative Solutions

Rather than imposing broad new requirements, I urge NASAA to focus on stronger enforcement of existing laws against fraud and misrepresentation, along with education initiatives to better inform prospective franchisees. These approaches would target the true risks without damaging the relationships that fuel franchise success.

The franchise industry has created millions of jobs and thousands of successful small businesses. Well-intentioned regulation should not unintentionally dismantle the very partnerships that make this success possible.

Respectfully,
Hope Machado

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