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To: [Noula Zaharis](#); [NASAA Comments](#); [Theresa Leets](#); bill.beatty@dfi.wa.gov; [Erin Houston](#)
Subject: [EXTERNAL]Comments on NASAA Model Franchise Broker Registration Act
Date: Wednesday, August 27, 2025 5:03:40 PM

Dear NASAA Regulators,

With almost 15 years of experience in the franchise industry - including owning two franchises myself - I have seen both the challenges and the extraordinary opportunities franchising provides. As a former outplacement consultant, I have also seen, far too often, how devastating it is when a corporate professional loses their livelihood because of a decision made in a distant boardroom. Layoffs have become increasingly common in today's economy, leaving talented, hardworking people with little control over their future. Now as a franchise broker, I work with many of these individuals, helping them discover that franchising can offer not just a way to replace a paycheck, but a sustainable path to independence and security.

Because of this experience, I feel compelled to share my concerns about the proposed Model Franchise Broker Registration Act and the unintended harm it would cause to both consumers and the industry.

The Role Brokers Play in People's Lives

Franchise brokers provide critical value: education about the franchise process, guidance on due diligence, and introductions to franchisors that align with a candidate's goals and resources. However, brokers do not control whether a franchise is awarded or what representations a franchisor makes. The proposed Act would impose compliance costs and fees on brokers that in many cases exceed those faced by franchisors themselves—the very parties with direct control over the transaction.

How the Proposal Would Hurt Real People

In 2025, it is more common than ever for professionals to work across state lines, and franchise brokering is no different. Requiring brokers to meet duplicative education standards and pay regulatory fees in each state would create prohibitive costs and administrative burdens. That would reduce access to qualified, ethical brokers at the very moment when laid-off professionals need them most. If education requirements and fees are deemed necessary, they should either be set at the national level or be reciprocal across states.

My Commitment to Ethics and Consumer Protection

As a member of the Franchise Brokers Association for the last 10 years, I have invested thousands of hours and thousands of dollars into training on franchise systems, sales compliance, and ethical practices. I fully support high standards for broker education and compliance. What I cannot support are redundant, fragmented requirements that would ultimately reduce access to trustworthy brokers while doing little to deter bad actors.

A Smarter Way Forward

If additional disclosure by brokers is considered necessary, it would also be more effective if provided closer to the point of investment—when a candidate is seriously evaluating a franchise—rather than at first contact, when many are simply exploring. More broadly, rather than adding costly, duplicative registration requirements, regulators should focus on enforcing existing laws against fraud and misrepresentation and supporting education initiatives for prospective franchisees. These steps would protect consumers while preserving the

relationships and pathways that make franchising such a powerful engine of opportunity.

Franchising has created millions of jobs and thousands of thriving small businesses. More importantly, it has given displaced professionals a proven path back to stability, independence, and long-term success. I urge you not to let well-intentioned but burdensome regulation jeopardize that opportunity.

Sincerely,

Kathryn Baker

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