From: SADISH JAYACHANDRAN

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

Subject: [EXTERNAL]Consumer Impact - NASAA Model Franchise Broker Registration Act

**Date:** Wednesday, August 27, 2025 9:14:09 PM

#### Dear NASAA Officials:

As an immigrant who moved to United States from Germany in 2016 and with a background in multiple industries, I have a deep appreciation for the power of entrepreneurship to change lives. Having recently joined the franchise industry, I am writing out of concern that the proposed Model Franchise Broker Registration Act will negatively impact the very consumers it aims to protect—aspiring business owners.

### **Reduced Consumer Options**

This legislation threatens to eliminate many of the independent consultants who guide prospective franchisees through the complex process of finding a business. Consultants introduce entrepreneurs to a wide array of opportunities, many of which they would never discover on their own. By removing these professionals, the Act will significantly reduce the information and number of viable options available to consumers.

#### **Market Concentration**

By creating significant compliance costs and regulatory barriers, this Act will disproportionately harm independent consultants and the smaller franchise systems that rely on them. This will concentrate market power among large, established franchise brands that can afford massive advertising budgets and do not need referral networks. The result is a less competitive market, which is a loss for the consumer.

#### **Information Access**

Many aspiring entrepreneurs depend on consultants to educate them about the realities of franchise ownership and to help them objectively evaluate different opportunities based on their personal and financial goals. My role is to act as an educator and a guide. Eliminating this vital resource would leave consumers to navigate a complex decision with less impartial guidance, relying solely on the sales materials of franchisors.

# **Innovation Impact**

New and innovative franchise concepts are the lifeblood of a dynamic economy. These emerging brands often depend on consultant networks to connect with their first franchisees and gain a foothold in the market. This regulation would stifle that crucial pathway, making it much harder for new business models to compete with established players and reducing the flow of fresh ideas into the marketplace.

## **Free Market Principles**

Ultimately, this legislation represents a form of government intervention that will distort

natural market forces. It creates an unlevel playing field that favors large incumbents over innovators and independent advisors. This reduction in competition and guidance will harm consumers through reduced choice, less innovation, and a more challenging path to business ownership.

Please consider these serious market impacts. I urge you to work with industry stakeholders to address any specific, documented problems without imposing broad regulations that will harm consumer choice and weaken market competition.

Sincerely,

Sadish Kumar Jayachandran Franchise Professional and Advocate for Entrepreneurship

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Sincerely,

### Sadish Jayachandran

Consultant / The Franchise Consulting Company

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