From: Kyle Evans

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

Subject: [EXTERNAL]Feedback on Proposed NASAA Franchise Broker Act

Date: Wednesday, August 27, 2025 5:56:24 PM

Attachments: <u>image.png</u>

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Dear NASAA Officials,

My name is Kyle Evans, and I am a franchise consultant based in Austin, Texas. I have been in franchising for 1 year, and in that time I have helped several individuals and families explore and enter franchise ownership. To date, I have had zero complaints in my tenure. I take pride in guiding people through a complex process that can change their lives for the better. Specializing in supporting the LGBTQ+ community, veterans, first-time entrepreneurs, and local business owners as they pursue their dreams responsibly.

I am writing to express my strong opposition to the proposed NASAA Model Franchise Broker Registration Act. While I appreciate the intent of protecting prospective franchisees, this legislation creates unintended harm for the very people it is supposed to protect.

Concerns

- Overly Broad Definitions: The definition of "franchise broker" is too sweeping, capturing professionals who simply make referrals or provide information. Recruiter brokers, internal reps, and FSOs are entirely different functions, yet this Act treats them the same.
- Excessive Regulatory Burden: Requiring 50 different registrations, fees, continuing education requirements, and renewals would make it financially impossible for many independent brokers to operate. For many, these costs would exceed what franchisors pay to file nationwide. This is an excessive and unworkable standard.
- Impact on Small Business: Small brokers like myself are the ones who connect everyday entrepreneurs to franchise opportunities. Burdening us with duplicative requirements will reduce available guidance for franchise buyers while consolidating power in large corporate systems.
- Harm to Consumer Choice: Prospective franchisees depend on brokers to discover
 emerging brands and innovative concepts. Without us, they will be left with only large,
 well-funded systems that dominate the market. This reduces both competition and
 consumer choice.
- Unintended Consequences: By forcing independent brokers out of business, the Act inadvertently favors large brands and class-action attorney groups who benefit from

reducing competition in franchising — harming entrepreneurs, brokers, and the families who rely on these businesses.

Suggested Solution

Instead of a costly, state-by-state registration model, I recommend a single, national educational platform for franchise brokers. This would create consistent standards, reduce costs, and ensure that brokers are knowledgeable without burdening small businesses with unnecessary and duplicative requirements. Reciprocity between states should also be automatic, as franchise consulting is not a localized business.

Conclusion

The franchise industry already operates under strict FTC disclosure rules, state franchise laws, and consumer protection statutes. Adding duplicative regulation not only undermines entrepreneurship, but also contradicts the recent Executive Order on Eliminating Anti-Competitive Regulations (April 9, 2025), which directs agencies to avoid unnecessary barriers that harm small businesses and reduce competition.

I respectfully urge NASAA to reconsider this Act's overly broad and burdensome approach, and instead work with industry professionals to implement solutions that protect consumers without destroying small business support systems.

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Sincerely,

Kyle Evans

Consultant / The Franchise Consulting Company

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