

Dear NASAA Project Group:

I am submitting comments on the proposed Model Franchise Broker Registration Act from my perspective as a franchise broker with 8 years in the franchise industry. 3 of those years were working in franchise development at a franchisor and 5 years working as a franchise broker. Over the last 8 years I have personally helped over 75 people get into a franchise. My wife is also a franchisee so I get to see first-hand what that perspective is like. I was able to help her vet the franchise that she ultimately landed on.

I love being able to help people find the best fit for their specific needs and goals. I have also worked with countless others who determined that a franchise was not the best fit for them. Both are equally satisfying to me knowing that I am helping someone in the next step of their entrepreneurial journey. I have represented and placed over 50 different franchisors with the candidates that I have worked with. I do not just present the same small set of franchises to my candidates, rather I take a customized approach and show them the franchises that I feel are the best fit.

I have never had any complaints or lawsuits against me personally or my business. I have many concerns with the new proposed legislature. I will explain them below. I am also including some testimonials from my candidates at the end of my email.

#### *Industry Structure and Terminology*

I believe it would be helpful to clarify the different roles within the franchise sales ecosystem, as the current draft applies identical requirements to participants with very different responsibilities and authorities. Franchise Brokers and FSOs in particular have VERY different roles.

Independent Franchise Brokers function as referral sources who connect prospective franchisees with opportunities but cannot bind franchisors, provide disclosure documents, or make franchise offers.

Franchise Sales Organizations (FSOs) are hired by franchisors to manage significant portions of the sales process and may have authority to act on behalf of the franchisor.

#### *Operational Challenges*

The 5-year record retention requirement far exceeds standard business practices and IRS requirements. Most businesses retain records for 3 years, making this requirement both excessive and impractical.

### *Disproportionate Impact on Independent Brokers*

Most franchise brokers are small, independent businesses themselves. The proposed state-by-state registration requirements would create compliance costs that could exceed their annual revenue, effectively eliminating many small operators from the market. I would suggest giving reciprocity to reduce the many, many duplicative compliance costs.

### *Barriers to Market Entry for Emerging Franchises*

Emerging franchise systems - which are typically small businesses themselves - rely heavily on franchise brokers to connect with qualified candidates while they focus resources on building their operational systems. Reducing the availability of broker services could limit growth opportunities for these emerging businesses.

There are other concerns that I have regarding this Act but I wanted to highlight the ones I thought were most concerning and important to me. I am happy to answer any questions you may have and my contact information is at the bottom of this email.

Here are some testimonials taken from my LinkedIn page and my Google Listing:



**Donald Bianchi** · 2nd

Fortunate Anatidae dba All Dry of Greater Nashville  
December 13, 2024, Donald was Kevin's client

Kevin worked with my wife and I to find the perfect franchise for us. His attention to detail, combing over the analytics of our individual strengths, and our shared goals all built the foundation to an initial presentation of multiple franchise opportunities. Once we had the list, he worked with us to quickly pare it down to a manageable few and helped guide us to the one that best reflected who we are and want to be in business. We are now proud owners of 5 territories of All Dry Services of Greater Nashville. Kevin is incredibly supportive, relationship oriented and insightful. All too many brokers are out selling whatever benefits them the most, Kevin is in it to help prospects find the right fit for them and help assure the highest probability for success. I would not go to anyone else if we were to begin looking for another opportunity.



**Britt Baumbach** · 2nd

Owner - Pink's Window Services Marin  
December 11, 2024, Britt was Kevin's client

I worked with Kevin to buy my first franchise. I have no experience in this area and couldn't have done it without his help. He helped me to identify the types of businesses I should pursue based on my skillset and then presented me with a list of options. As I vetted the options, he was always available to answer my questions and help guide me when I got stuck. He asked me questions that helped \*me\* decide, rather than try to force me in a certain direction. That is an extremely trustworthy quality. I highly recommend working with him if you are looking for a franchise.



**Alicia Perez** · 2nd

Owner | Senior Helpers of North Hudson | Enhancing Senior Independence & Quality of Life

November 15, 2024, Alicia was Kevin's client

I wholeheartedly recommend Kevin, the owner of Thoughtful Franchise Brokers. Kevin took the time to understand our unique needs and goals, which made a world of difference in our journey to find the right franchise. The world of franchising can be overwhelming with so many options, but Kevin expertly guided us through it all, helping us narrow down to the best fit for our vision. He provided invaluable insights and resources, clearly drawing from a wealth of industry knowledge.

What truly sets Kevin apart is his commitment to service. He met with my husband and me multiple times, always patient, attentive, and genuinely interested in helping us succeed. Even when we had additional questions or concerns, Kevin never hesitated to offer guidance. His support and dedication to his clients' success are unmatched. If you're looking for a broker who goes above and beyond, Kevin is the one to trust!



**Jim Thomasson**

3 reviews · 0 photos



4 weeks ago

NEW

Kevin was extremely helpful in selecting of a franchise that was the right fit for me. Exploring the franchise world was a very new and unfamiliar concept for me. Kevin's knowledge and experience was put to work, especially at the beginning stages of this journey, to help narrow down the wide field of franchise opportunities. His guidance and direction along the way helped me select what I consider the perfect fit. He saved me a significant amount of time, effort and research if I were to have done it on my own. I highly recommend Kevin and his team as a broker if you are looking into buying a franchise.

Respectfully,

Kevin Kohler

Franchise Inspectors (Formerly Thoughtful Franchise Brokers)

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