

From: [James Hilovsky](#)
To: [NASAA Comments](#); [Theresa Leets](#); bill.beatty@dfi.wa.gov; [Erin Houston](#); [KC.Mohseni](#); Myriam.Valdez-Singh@dfpi.ca.gov
Subject: [EXTERNAL]NASAA Concerns
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Dear NASAA Project Group

My name is James Hilovsky, and I've been an independent franchise broker for the past five years. In that time, I've been fortunate to help people from many different backgrounds — corporate professionals, military veterans, teachers, and even first-generation immigrants — find

the right franchise opportunity. I've seen how franchising can provide freedom, stability, and pride of ownership when it's done the right way.

That's why I truly appreciate the work being done on the proposed Model Act. The goal of raising education and ethical standards in franchising is something I strongly support. As brokers, our entire reputation is built on integrity — doing right by both candidates and the brands we represent.

That said, I do have concerns with how the draft is currently structured:

Fees

The proposed state-by-state fee structure creates an overwhelming financial burden for independent brokers. To put this into perspective: a franchisor can register nationwide for around

\$15,000 annually. But if all 50 states adopt this framework, brokers like me would be responsible

for 50 separate examinations, exam fees, application fees, amendment fees, renewal fees, continuing education programs (and their fees), plus potentially 50 sets of financial requirements.

Regulatory Framework Alignment

The draft also treats every participant in the franchise sales process as though we all hold the same authority. But brokers don't provide disclosure documents, don't make offers, and don't bind franchisors. We are referral sources — like recruiters — connecting qualified candidates with the right brands. By grouping us into the same regulatory box, the draft unintentionally risks

limiting access for the very people who need it most, and makes it harder for smaller, emerging brands to grow.

Constructive Solutions

I believe there's a better path forward: establish a clear, national standard for broker education and certification that all states can recognize. This ensures accountability and professionalism while avoiding duplicative fees and conflicting requirements. Most importantly, it preserves access for candidates and allows brokers to keep helping people — like that former teacher — pursue their dreams of ownership.

I deeply value the chance to contribute to this conversation. I'd welcome the opportunity to continue working together to create a framework that protects candidates, holds brokers accountable, and still makes franchising accessible to the people and brands that need it most.

James Hilovsky
CEO, The FranDream
Riverside, CA
My Best,

James Hilovsky

James@thefrandream.com

951-491-5983

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