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Re: Request for Public Comment on the NASAA Model Franchise Broker Registration Act

August 27, 2025

Dear NASAA Project Group,

My name is Brett Ethridge, and I am a relatively new independent franchise broker who transitioned to this line of work because of my belief in the power of business ownership and a desire to help fathers spend more time with their families as franchise owners. Indeed, I have been pleasantly surprised by how genuine my conversations have been with men who desperately want to get into business for themselves, understand the opportunity that franchising presents, but need someone to help them filter through the thousands of business concepts out there and navigate the initial stages of the franchise discovery process before beginning the due diligence process directly with the franchisor.

In fact, just this week I had a candidate who asked to put the research process on hold until the New Year because of some family issues that have come up, but he had this to say in the email that he sent me requesting the hiatus:

"Thank you, we have greatly enjoyed working with you and I have enjoyed getting to know you as well. I am so grateful for all of your assistance...." — Jason

All of my interactions with franchise candidates have been this way. I genuinely desire to get to know them at a deep, human level so that I can make the best recommendation possible for franchise concepts that I think would be a good fit for them. They, in turn, are entering into a novel business environment that they know next-to-nothing about, as many of them are coming from the corporate world and have never researched business ownership before, and they're incredibly appreciative to have someone early on to show them the ropes and point them in the right direction.

That's the role of a good, integrous franchise broker.

That's the role that I play.

And that is a role that is at risk of being seriously undermined — if not outright threatened — by the proposed Model Act. Thank you for the opportunity to provide feedback.

I want to begin by expressing my support for the goals of enhancing ethical standards and education within franchising. These are values that franchise brokers share, as our success depends entirely on connecting qualified candidates with appropriate franchise opportunities.

However, I have several concerns about the proposed approach that I believe merit consideration:

Industry Role Clarification

As an independent franchise broker, I serve as a referral source - similar to an employment recruiter who introduces qualified candidates to potential employers. I do not have authority to bind franchisors, cannot provide franchise disclosure documents, and am contractually prohibited from making franchise offers. The eventual franchise decision remains entirely between the franchisor and the candidate.

Market Concentration

By creating barriers that disproportionately affect smaller players, this Act would concentrate market power among large franchise systems that don't need broker relationships.

Economic Multiplier Effect

Each new franchise creates jobs, generates tax revenue, and supports local suppliers. Reducing the number of new franchises through regulatory barriers would have negative ripple effects throughout local economies.

Excessive Regulatory Burden

The proposed registration requirements would create an overwhelming administrative burden for small operators like myself. The compliance costs alone could force many of us out of business, ultimately reducing the resources available to help prospective franchisees navigate their options.

What I think is getting lost in all of this is that small business ownership is the engine that drives the U.S. economy, and many franchisees are the epitome of what it means to be a small business owner in this country. They have an entrepreneurial spirit and a desire to provide for their families and local communities, and they often gravitate to some of the smaller but right-fit franchise concepts that they might otherwise not have known about were it not for a broker like myself. I'm afraid that this key demographic of the local business community will atrophy as a small sub-set of wealthy investor types are concentrated even more into the large corporate franchise systems as a result of several provisions of this Act.

I welcome the opportunity to work collaboratively with regulators to develop effective solutions that serve all stakeholders in the franchising community.

Respectfully submitted,

Brett Ethridge

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