

Subject: NASAA Model Franchise Broker Act - Unintended Consequences

Dear NASAA Officials,

I'm T.J. Treat, a franchise consultant and former multi-unit franchise owner with a background that spans 11 years in the U.S. Navy and a career as a commercial shipping engineer. Franchising was my bridge from military and maritime life into business ownership. I worked with a franchise consultant myself and ultimately became a franchisee with a home services company. After successfully growing multiple territories and eventually selling them, I transitioned into franchise consulting to help others take the same leap. Over the years, I've guided dozens of people through the franchise discovery process, from early exploration to opening their doors, with zero complaints in my tenure. I've worked with clients from all walks of life including engineers, teachers, veterans, and executives, and I've seen firsthand how franchising not only changes their careers but also creates jobs and strengthens communities.

I want to share my concerns about the proposed Model Franchise Broker Registration Act. While I understand the goal is to protect prospective franchisees, I believe this legislation would actually hurt the very people it is trying to help.

Fewer Resources for Buyers

If this Act drives brokers out of business with excessive regulations, it will take away a key resource for people trying to navigate the complicated world of franchise ownership. Many rely on brokers to connect them with the right opportunities and help them understand the process.

Losing a Valuable Education Tool

Brokers provide education and guidance that help people make informed decisions about franchise ownership. Taking away this support leaves future franchisees with fewer ways to learn about the process before making a big investment.

Less Access to Opportunities

Brokers often introduce prospective franchisees to emerging and innovative brands they might never find on their own. Limiting this access means fewer choices and missed opportunities for those looking to own a franchise. Without brokers, many people may only hear about the largest brands with the biggest marketing budgets, which would stifle innovation and reduce competition.

Hurting Small Businesses and Entrepreneurs

Most franchise brokers are small business owners themselves. Excessive regulation could force many out of business, leaving only large organizations able to shoulder the cost and complexity of compliance. That would mean less personal service for buyers and fewer entrepreneurial opportunities for brokers.

Barriers for Underrepresented Groups

Brokers often help veterans, minorities, and first-time entrepreneurs break into business ownership. Making it harder or more expensive for brokers to operate risks cutting off access to affordable guidance for the very groups that benefit most from franchising as a path to financial independence.

Losing Local Economic Impact

Franchise businesses create jobs, invest in communities, and often revitalize local economies. If this Act slows franchise growth by eliminating brokers, communities across the country will feel the loss in reduced job creation and economic activity.

I hope regulators will reconsider this approach and work with industry professionals to address real concerns without destroying relationships and resources that genuinely help consumers.

Sincerely,

T.J. Treat
President, Treat Franchise Consulting