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**To:** [NASAA Comments](#); [Theresa Leets](#); [bill.beatty@dfi.wa.gov](mailto:bill.beatty@dfi.wa.gov); [Erin Houston](#)  
**Subject:** [EXTERNAL]NASAA Model Franchise Broker Act  
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**Dear Project Group,**

I am writing to express my strong opposition to the proposed NASAA Model Franchise Broker Registration Act. Having spent more than 25 years in the franchising industry—including 12 years as Vice President of Franchise Development, an additional decade as a management trainer within franchise systems, and later as the founder and operator of my own restaurants—I bring both executive and owner-operator perspectives to this discussion. Today, as a Certified Franchise Consultant with Best Franchise Options, LLC, I guide individuals through the complex process of evaluating franchise ownership, always with trust and integrity at the forefront.

Based on this experience, I have serious concerns that the proposed Act would have unintended but harmful consequences for franchise brokers, prospective franchisees, and the industry as a whole.

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## **1. Counter to Federal Executive Order on Anti-Competitive Practices**

This proposal runs directly contrary to the **Executive Order on Reducing Anti-Competitive Regulatory Barriers** (April 2025) and the FTC's stated guidance to eliminate unnecessary restrictions that create barriers for market entrants.

- The proposed state-by-state registration process, coupled with high fees, will deter new brokers—especially those with fewer financial resources—from entering the market.
  - These barriers reduce competition, limit consumer choice, and ultimately harm prospective franchisees by shrinking the pool of knowledgeable professionals available to guide them.
  - When fees make it uneconomical to do business in certain states, entire markets risk being underserved.
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## **2. Excessive Fees and Overburdening Compliance**

The financial burden of the Act is disproportionate and punitive. The cost of complying with 50 separate regimes would likely exceed what a franchisor pays to file in all registration states combined (roughly \$15,000 annually).

If the Model Act is adopted across all states, an independent recruiter broker could face:

- 50 different examinations,
- 50 different examination fees,
- 50 different application fees,
- 50 different amendment fees,
- 50 different renewal fees,
- 50 different continuing education programs,

- 50 different continuing education fees, and
- 50 different financial qualification requirements.

This is not compliance—it is an effective barrier to market participation that could drive independent brokers out of business. It raises a fair question: **Is the goal of this legislation to ensure compliance and protect franchisees, or to generate fee revenue?**

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### 3. Duplicative Legislation Attempt

The functions of franchise brokers, FSOs, franchisors, and internal representatives are already governed by existing legal protections:

- **Fraud claims** already exist under both federal and state law.
- **State franchise protections** (including deceptive trade practice statutes) are already in place.
- **FDD disclosure requirements** and **salesman disclosure forms** already provide transparency and accountability in the sales process.

Creating another layer of regulation that mirrors existing safeguards does not enhance consumer protection. Instead, it adds unnecessary cost and complexity without measurable benefit.

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### 4. Misunderstanding the Recruiter Broker's Role

The proposal conflates very different functions—recruiter brokers, FSOs, internal reps, and franchisors—under a single definition, subjecting them all to the same regulatory standards despite performing fundamentally different roles.

- **Recruiter brokers** do not sell franchises. Rather, they educate candidates, introduce them to opportunities, and help them connect with the right professional resources—such as franchise attorneys, accountants, and funding experts.
  - This guidance benefits the candidate by ensuring they conduct proper due diligence. Far from being a risk, recruiter brokers serve as a safeguard in the award process.
  - A “one-size-fits-all” regulatory approach ignores these distinctions and misrepresents the value that franchise brokers bring to the industry.
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### Conclusion

I personally made the leap from corporate executive to independent business ownership, driven by the same entrepreneurial spirit that fuels so many of the individuals I work with today. My role as a consultant is to help them navigate the complexities of franchising with clarity and confidence.

This proposed Act, however, would erect barriers that silence experienced professionals, reduce competition, and limit opportunities for future franchisees. For these reasons, I urge you to reconsider or significantly narrow the scope of this legislation to avoid these unintended consequences.

Thank you for your consideration.

**Respectfully,**



## Robert Haar

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