From: Ryan Gasaway

To: NASAA Comments; Theresa Leets; bill.beatty@dfi.wa.gov; Erin Houston

Cc: Jeff Elgin

Subject: [EXTERNAL]NASAA Model Franchise Broker Act Comments

Date: Wednesday, August 27, 2025 3:30:27 PM

Attachments: <u>image.png</u>

Dear NASAA Comment Committee,

My name is Ryan Gasaway, and I am a franchise consultant and franchise owner with several years of direct experience both as a franchisee and as a consultant helping individuals explore franchise ownership. I refer individual to franchise companies with the goal of providing new franchisee leads to those companies.

While I appreciate the intent of the proposed Model Franchise Broker Act, I have significant concerns about its scope and impact.

The current definition of "franchise broker" is far too broad. It sweeps in professionals like myself who are not engaged in selling franchises but instead provide education, resources, and referrals. By the proposed definition, even lead generation platforms, funding sources, and referral partners would be unnecessarily captured. This is not consistent with our actual role, which is limited to making introductions. Franchisors and their sales staff are solely responsible for the sales process.

This proposed regulation adds an unnecessary and duplicative layer to an already heavily regulated environment. The FTC Franchise Rule and existing state laws already provide protections against fraud and misrepresentation. Adding another set of registration and disclosure requirements does not enhance consumer protection but does increase compliance costs and administrative burden.

Allowing each state to create its own rules and fees will only multiply confusion and costs. Many consultants and lead providers, myself included, work across multiple states. Complying with a patchwork of different requirements would be impractical and cost prohibitive, especially for small operators.

If further oversight is truly needed, it should be implemented at the federal level through the FTC so that consistency is maintained nationwide. More effective alternatives would be stricter enforcement of existing rules and increased education for prospective franchisees, rather than new state-by-state regulation.

For these reasons, I respectfully urge NASAA to reconsider the current draft of the Model Franchise Broker Act and refine its definitions to exclude professionals who are not directly engaged in franchise sales. Otherwise, the unintended consequences could reduce the availability of independent resources that prospective franchisees rely on to make informed decisions.

Thank you for your consideration of these comments.

Ryan Gasaway

Franchise Consultant FranChoice



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