



August 27, 2025

North American Securities Administrators Association, Inc.
750 First Street NE, Suite 990
Washington, DC 20002

Subject: Comments on NASAA Model Franchise Broker Registration Act_August 27, 2025

Dear NASAA officials:

I am one of the senior franchise consultants at The Franchise Consulting Company, and I have been in this industry for almost a decade. Over the years, I have served as a VP of Franchise Development for a large franchisor, a franchise consultant, and a franchisee. Yes, I take my own advice from time to time—just like many other brokers who help their clients. We believe in what we do and in the brands we work with.

There are plenty of bad franchises out there, but there are also many great ones. How can a consumer with no experience in this industry tell the difference? The truth is, they need our experience—and I take great pride in that. Those of us who are committed to our profession have many tools at our disposal to help guide clients toward the best possible opportunities and away from costly mistakes that could jeopardize their savings.

It is also true that nothing in business is guaranteed. But the reason franchisors pay us referral fees is because when someone enters a franchise system with strong funding, a well-negotiated franchise agreement, a solid business plan, and a pro forma that sets clear expectations, they more often than not do exceptionally well.

Since franchisors are in the royalty business, and their future depends on the success of their franchisees, it is both responsible—and I would argue imperative—to have a consultant involved in every transaction.

As outside consultants, we are not pushing clients toward brands we represent. We are focused on connecting them with the best possible brand for them and ensuring they fully understand what they are committing to and how to prepare for success.

I am also a member of the Veterans Franchise Council, where we help veterans achieve their dream of business ownership. Collectively and voluntarily, we have contributed over a million dollars toward this cause. We support our veterans, and whether veteran or not, I take tremendous pride in helping every aspiring entrepreneur pursue their goals.

It is also important to note that, much like in other industries, doing a bad job as a franchise consultant is career suicide. Our business relies on referrals, positive reviews, and proven results. While there are a few consultants who have been identified as self-serving or unethical, the vast majority of them are no longer in business—or are operating at such a low level that they are barely relevant. The problem exists, but it is very small. The consultants I know personally all share the same values and principles I do.

That is why I am concerned about the Franchise Broker Registration Acts. If new regulations limit our ability to responsibly do our jobs, potential franchisees will face a lack of guidance and education. The real problem lies with bad franchisors and the con men who create fraudulent franchises, sell them to unsuspecting buyers, and then watch them collapse.

If greater oversight is needed—and I agree that it never hurts—it should come in the form of stricter controls and harsher penalties for malicious and irresponsible franchisors. If punishments are strong enough, these bad actors will be eliminated, leaving only quality, proven franchises for consumers to consider. Even in that best-case scenario, though, clients would still need help choosing among the many strong franchises to find the one best suited to *them*. That difference often determines success or failure—and the data supports this.

Please take these points into consideration when making your decision. Our clients need us, and they need you to protect them from bad franchises, not from responsible franchise brokers.

Sincerely,

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