From:	Joe Feicht
То:	NASAA Comments; Theresa Leets; bill.beatty@dfi.wa.gov; Erin Houston
Subject:	[EXTERNAL]NASAA REQUEST FOR PUBLIC COMMENT PROPOSED NASAA MODEL FRANCHISE BROKER REGISTRATION ACT
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Project Group,

My wife and I had a tragedy in dealing with a franchise broker. The business only lasted about 17 months and ended in us filing bankruptcy.

We were contacted by a franchise broker in April of 2020. He had us fill out a questionnaire then followed up with 4 or 5 possible franchises that looked like the might meet our goals. He gave us the contact info for the franchise "broker" representing each of the possible franchises. We followed up on them and we were really interested in the Premier Martial Arts franchise represented by Brent Seebohm of Franchise Fastlane. We talked with Brent several times, he included us in "sales" calls with the franchise where presumably a franchise talked for an hour about his or her experience. We were invited to a "Discovery Day" at the corporate office. We bought two franchises (we were told two was the minimum you could buy).

We proceeded to follow all of their advice in getting the franchise opened and everything went downhill from there. We have been in court with them since November of 2022.

Franchise Fastlane handled all of the sale process and the details.

Here are some things we have learned so far going through this legal process with 53 other Premier Martial Arts franchisees:

Barry Van Over, the franchisor, tried to sell franchises on his own around 2017. He didn't sell one. So he reached out to Franchise Fastlane and they re-wrote the history of his business and made up the fictitious business plan shown in the FDD. They then sold around 200 franchises. Here are some things they made up that would have made all the difference for many of these franchisees, including myself.

1) He talked about how he started Premier and that "all" of his Premier licensees bought into the franchise model. Not true, only the most successful were offered franchises.

2) The business model as presented has been in place with these many licensed, now franchised business owners. Not true at all. He claimed they operated in the 1200 to 1600 sq. ft. locations in prime real estate areas when they were in fact operating at about 3000 sq. ft. average in 2nd or 3rd tier real estate areas.

He said they had an average EBITDA of 48% working semi absentee with NO martial arts experience when even the best of them had EBITDA around 20% working fulltime as experienced martial artists.

3) They only allowed contact with their chosen few franchisees. Most of these were on the calls we participated in. One of these is now a former franchisee because he realised what was happening and started speaking out. He was able to buy out of the franchise and return his school to Non Premier. He has testified with our lawyers in the lawsuits against Premier. In essence the franchise model never existed and had never been tried and he was asked to lie about it on the calls.

4) They claimed only 1-1/2 employees and they would help find and vet these employees. It took a minimum of 3 employees to barely get by if no one got sick and their idea of help was to run ads on Indeed.

I could go on for a while but to sum it up I strongly support your efforts to set standards for franchise brokers. They seem to think they can do or say anything they want or need to in order to sell franchises. And, they make a lot of money selling them. There needs to be a fiduciary responsibility placed on them.

Thank you, Joseph Feicht