From: Angela Yi
To: NASAA Comments

Cc: Theresa Leets; bill.beatty@dfi.wa.gov; Erin Houston

Subject: [EXTERNAL]PROPOSED NASAA MODEL FRANCHISE BROKER REGISTRATION ACT

Date: Friday, June 14, 2024 12:31:32 AM

Dear Representatives of NASAA,

It was very hard to find the time to fully understand the Act in such short notice. However, from what I read and understood, this act is in place to regulate the disclosures and registrations of ALL Franchise brokers, due to unethical practices that were committed by some in recent years, and such claims brought to attention, but hopefully not only, by Franchisors and Franchisees that went/are going through litigations? Hoping this decision is not one sided, and there was research also conducted with successful franchisee/franchisor relationships as well, in order for your team to have an understanding of the role & responsibilities of a franchise broker, as well as the franchisee's due diligence steps prior to ownership.

I am actually fairly new to the franchise industry and what made me join was because of the idea of joining a stigmatized Industry and to use GOOD analytical practices and implement an ethical transaction process with potential franchisees to ensure a high probability for business success. I learned this model system through the Agent certification program provided by the <u>Franchise Training Institute</u> in partner with the <u>Franchise Brokers Association</u>.

As a 2nd generation, female, American minority, and millennial mom. I have witnessed firsthand the kind of devastation families experience when there is an economic crisis and their business is forced to go out of business. I am in full support of making sure Franchise Brokers are to follow regulations that prevent and put an end to unethical OUTDATED practices, however the Act is vague and only complicating the transaction process by involving almost anyone by not specifying WHO are the parties INDIRECTLY involved in the transaction process? This can included ALL levels of employees such as the remote part time receptionist or another franchisee for the same company, both on the other side of the state?

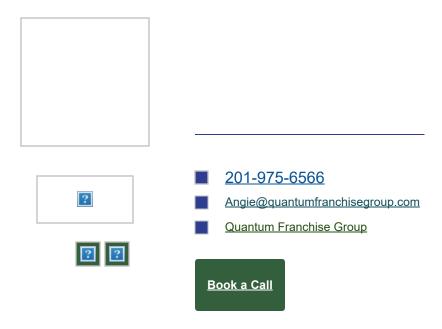
There needs to be clarity as this is going to cause MUCH confusion for all parties involved, which seems intentional if this is one sided.. My team and I at Quantum Franchise Group only gain business by working in our candidates best interest. As members of the Franchise Brokers Association, we are trying to raise the bar in the business standards of our Industry, and there needs to be consideration in making the Act FAIR by clarifying indirect parties involved. The Brokers who ARE ethical want to focus on continuing our efforts in updating standards of practices for other brokers to follow.

Thank you for your consideration,

Angela Yi

Franchise Development Agent

Quantum Franchise Group



Recipient acknowledges that it has not relied on any statement made by our brokers in our candidates determination of whether or not to become a franchisee or enter into any relationship with the Franchise. The candidate has conducted or will conduct, prior to signing any agreement with respect to the Franchise, its own due diligence on the Franchise and has not and will not rely on any representation whatsoever of our brokers.

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The information provided in any PowerPoint presentation or brochure is found in greater detail in the franchisor's Franchise Disclosure Document. You should review the entire Franchise Disclosure Document carefully and seek the advice of a professional advisor prior to making any decision on whether to purchase this franchise. Do not rely on any information which is not consistent with the information in the Franchise Disclosure Document.