

August 26<sup>th</sup>, 2025

NASAA Comments  
North American Securities Administrators Association, Inc.

Attn: Theresa Leets ([theresa.leets@dfpi.ca.gov](mailto:theresa.leets@dfpi.ca.gov))  
cc: Bill Beatty ([bill.beatty@dfi.wa.gov](mailto:bill.beatty@dfi.wa.gov)); Erin Houston ([ehouston@sos.nv.gov](mailto:ehouston@sos.nv.gov))  
[nasaacomment@nasaa.org](mailto:nasaacomment@nasaa.org)

**Re: Comment on Proposed NASAA Model Franchise Broker Registration Act (July 28, 2025 Draft)**

Dear Ms. Leets, Mr. Beatty, and Ms. Houston:

On behalf of the International Franchise Professionals Group (“IFPG”), the leading Franchise Broker Organization in the United States, I appreciate the opportunity to provide comments on NASAA’s proposed Model Franchise Broker Registration Act. We support NASAA’s goal of protecting prospective franchisees through better oversight and transparency. However, it is important to clarify how IFPG’s business model operates and why IFPG as an entity is not subject to or categorized as a “Franchise Broker” under the proposed Act.

Our hope is that this letter helps regulators fully understand how IFPG functions: as an **open network, training and certifying Franchise Brokers**, and providing the industry’s most ethical and transparent platform. We are fundamentally different from most entities in this space, and the Act should reflect that distinction.

**1. IFPG Does Not Qualify as a Franchise Broker**

The Act defines a “Franchise Broker” as an entity that receives or is promised a fee, commission, or other form of consideration tied to the offer or sale of a franchise. IFPG is a Franchise Broker Organization vs. a Franchise Broker Network – the difference being networks earn their revenue from the money a franchise buyer provides to the franchisor, while a Broker Organization only collects membership fees from brokers and franchisors

- In exchange for that platform, franchisors and consultants pay a monthly membership fee to IFPG

Accordingly, IFPG should not be deemed a Franchise Broker, nor should IFPG executives or staff be compelled to register under the Act.

**2. IFPG’s Business Model: A Franchise Broker Organization and Open Network**

IFPG is best described as a Franchise Broker Organization and open network:

- We allow any qualified consultant, franchisor, or supplier to join as a member.

- Consultants (Franchise Brokers) use IFPG as one of many platforms to market themselves, access franchise opportunities, and expand their professional relationships.
- Consultants always operate through their own LLCs or corporate structures free of control from IFPG
- IFPG provides the ecosystem, but we are not a party to franchise sales transactions.

In practice, IFPG functions similarly to the MLS system in real estate, by displaying and connecting available “inventory” (franchisors) to a network of professionals (consultants). At the same time, we also serve a role akin to a Board of Realtors, by providing education, certification, and a code of ethics that govern how our members conduct their business. Importantly, we are not like a real estate brokerage—we do not manage agents’ actions, nor do we share in the commissions they earn.

### 3. Registration of Consultants and Their Representatives

Our interpretation of the Act is as follows:

- **Consultants (our members)** would register as Franchise Brokers under their own entities (LLCs or corporations).
- **Actively selling team members** of those entities would register as Franchise Broker Representatives.
- **IFPG as an organization would not register**, because we do not engage with prospective buyers, collect referral fees, or participate in franchise sales.

This approach accurately reflects the independent nature of our open network.

### 4. Training, Certification, and Code of Ethics

Where IFPG is unique is our commitment to education, ethics, and consumer protection.

- Every consultant who joins IFPG completes our Certified Franchise Consultant (CFC) training, which covers both the tactical skills of franchise brokering and the ethical obligations of working with candidates.
- Consultants are required to complete continuing education hours annually to remain certified.
- Our Code of Ethics is a guide for all members and emphasizes putting the prospective franchisee’s best interests first.

This structure ensures that every IFPG consultant is better trained, better informed, and better prepared to serve clients ethically than if they operated outside an organization like ours.

### 5. Aggregated Support Services (Without Legal Liability)

While IFPG is not a Franchise Broker, we are willing to provide aggregated compliance support to help franchisors and consultants operate smoothly under the Act. Examples include:

- Collecting, consolidating, and distributing consultant registration information to franchisors.
- Serving as a central communication hub so franchisors can confirm consultant compliance.

However, it is critical to note:

- IFPG has no control over our independent consultant members.

- Shifting legal liability or compliance enforcement onto IFPG is not practical or appropriate, as IFPG does not participate in or benefit from franchise sales.

## 6. Why IFPG's Model Protects Consumers

We respectfully suggest that IFPG's model should be seen as a consumer-protective approach:

- IFPG's leadership has no incentive to steer consultants toward specific franchisors, since our revenue does not vary based on franchise sales.
- Consultants operate under their own brands; in many cases, prospective franchisees are unaware IFPG exists behind the scenes.
- IFPG provides the tools, education, and ethical framework, but consultants remain responsible for their own businesses and client relationships.

This structure ensures independence, reduces conflicts of interest, and increases transparency—exactly the outcomes NASAA seeks through this Act.

## Conclusion

We commend NASAA for its thoughtful work on this proposed Act. We respectfully request that the final version include clarifications that:


1. Franchise Broker Organizations like IFPG, which receive no monies tied to franchise sales, are not Franchise Brokers.
2. Compliance obligations should rest with the individual consultants and their representatives who directly engage in franchise sales.

IFPG remains committed to supporting compliance efforts and to serving as a resource for regulators. We would welcome the opportunity for a direct conversation to further explain IFPG's unique role in the industry.

Thank you for your consideration.

Sincerely,

**Don Daszkowski**



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