

November 30, 2007

Ms. Melanie Lubin  
OAG, Securities Division  
200 Saint Paul Place  
Baltimore, Maryland 21202-2020

Mr. Rex Staples  
North American Securities Administrators Association  
750 First Street NE  
Suite 1140  
Washington, DC 20002

Dear Ms. Lubin and Mr. Staples

I am responding to your request, dated November 9, 2007 for proposed comments regarding the proposed adoption of a NASAA Model Rule on the use of senior-specific certifications and professional designations.

I am drafting this response on behalf of the State Financial Regulators Roundtable, in my capacity of Chairman of that organization. The State Financial Regulators Roundtable is an umbrella organization made up of state financial services regulatory association members, including The American Association of Residential Mortgage Regulators (AARMR), The American Council of State Savings Supervisors (ACSSS), The Conference of State Bank Supervisory (CSBS), The Money Transmitters Regulators Association (MTRA), The National Association of Consumer Credit Administrators (NACCA), The National Association of Insurance Commissioners (NAIC), The North American Securities Administrators Association (NASAA) and the National Association of State Credit Union Supervisors (NASCUS).

These comments reflect the position of the State Financial Regulators Roundtable (SFRR) and the members of the above associations that serve on the Roundtable. The individual Associations that are listed above may have additional individual comments that they wish to forward to NASAA under separate cover.

We have reviewed the proposed Model Rule and wish to indicate our support of the proposed Rule to address the issue of the potential abuse of certifications or designations that may mislead senior citizens to place reliance on individuals without having the requisite training, education and experience. While this practice is particularly common in the securities industry, as financial services regulators we have observed similar abuses

occurring in a number of areas of the financial services industry. Indeed, the SFRR has a working group that has been developing comprehensive guidance for regulatory agencies as well as consumers in the area of financial services being provided to senior citizens. We support the proposed Model Rule being proposed and it is consistent with the guidance currently being developed by our organization.

We particularly believe that professional organizations that issue certifications or designations, indicating specific expertise in the provision of financial services to seniors should have established written Ethical Standards that include a suitability standard for any financial service or product being recommended to a senior citizen. Individuals holding a certification or designation that fail to meet established written ethical standards should be subject to meaningful disciplinary procedures, including in significant instances the suspension or loss of the use of the certification or designation. This appears to be addressed in Section (d) (iii) of the Model Rule.

Certain members of SFRR wanted to clarify that we are not suggesting that there should be general suitability standards for financial products or services, which are not considered an area of general consensus and agreement. We are referring to the specific situation of a professional certification or designation that implies specialize expertise, training and fiduciary responsibility in the financial needs of Senior Citizens that would not necessarily apply in the sales or marketing of financial products or services to the general public.

Your model language includes two options for the language in Section 1. While both sets of language appear workable, it appears that the first option is somewhat broader, including both individuals involved directly or indirectly in securities transactions, but also individuals that provide support services, prepare publications or financial analyses that are used in the sale, offer, purchase or the provision of advice in the sale of securities. We would support the usage of this broader language in the first option.

I appreciate the opportunity to respond on this issue on behalf of the State Financial Regulators Roundtable. If you have additional questions regarding these matters, please give me a call at (770) 986-1629 or send me an e-mail at [reynolds@dbf.state.ga.us](mailto:reynolds@dbf.state.ga.us).

Sincerely,

George A. Reynolds, CPA, CFE, CEM, CSCUES  
Chairman, State Financial Regulators Roundtable

