

From: buttonwoodtreeadvisors@comcast.net
To: "Anthony Leone"; NASAA Comments; Linda Cena
Subject: [EXTERNAL] Opposed to CE for RIA's RE: Hello From MAIA - NASAA Proposed Continuing Education Rule for Investment Advisors
Date: Friday, March 20, 2020 10:29:16 AM

Dear Mr Leone, Ms Cena and NASAA-

I am writing to voice my opinion against requiring CE for RIAs.....

My primary reasons for opposing CE are as follows-

1. Likely not applicable
2. Potential cost
3. Required time

I am a very small (AUM < \$10 mil) one man, single prop IA/IAR. I provide a very limited but specific service to a handful of clients. Single proprietor advisors are already burdened by a large amount of required work outside of the specific services they provide to their clients. Even if the CE were provided online and free of charge, the time it takes to complete would take away from time needed to service clients.

If NASAA does go ahead and require CE, perhaps there could be an exemption for IA firms with AUM below a certain threshold. Or perhaps NASAA might make a "light" CE program available to satisfy requirements for small IA's.

Best Regards,

Gordon

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From: Anthony Leone <massinvestmentadvisor@gmail.com>
Sent: Friday, March 20, 2020 10:00 AM

Cc: Brian Lentine (US - Tax) <brian.s.lentine@pwc.com>

Subject: Hello From MAIA - NASAA Proposed Continuing Education Rule for Investment Advisors

Hello All:

While it has been some time since we all met, and while I reach out during challenging times I wanted to reach out nonetheless to provide a few updates and items moving forward. Our non-profit status finally cleared through the IRS, a board of volunteers from the initial meeting met, and then life, as it often does, got in the way.

With that said, Brian and I had discussed holding another meeting this spring--to include a discussion with a former director of the MSD (now at some date undetermined)--and a less formal event (also now at some date undetermined). With events and life disrupted, but still wanting to move forward, we are going to refocus over the near term and try to update folks on items of interest that you may have otherwise missed. We will brainstorm topics of interest for conference calls and we welcome suggestions.

In that regard, recently the North American Securities Administrators Association ("NASAA") proposed a model continuing education rule which would require 12 hours of continuing education for IARs. To date, Massachusetts has not provided any indication as to whether it would promulgate regulations along these lines. My hunch, given the tremendous effort expended by the MSD in adopting fiduciary duty regulations applicable to BD reps, is that Massachusetts is unlikely to incorporate the model rule over the near term. Historically, Massachusetts has tended to not promulgate NASAA model rules.

NASAA, for those not familiar, is a trade organization that represents state and provincial regulators in the US, Canada and Mexico. Periodically NASAA will promulgate model rules. The idea is that a state will adopt the rule through whatever necessary process in the respective state. NASAA, by taking the laboring oar, reduces the drafting and other burdens on states that may come from developing a new regulation from scratch.

NASAA has requested public comments on the proposed rule. Again, the proposed rule would require investment advisor representatives to complete 12 course hours (6 hours on Products and Practice and 6 hours on Ethics and Professional Responsibility) each year. These courses would be vetted by NASAA and providers interested in offering said courses would be required to pay NASAA a fee to do so in order to become an "Authorized Provider." Interestingly, the proposed rule provides that continuing education completed by investment advisors as necessary requirements of certain professional designations and FINRA CE courses for those dual registered investment advisors would not necessarily meet the continuing education requirements.

Significantly the proposed rule provides that the failure to complete the CE requirement would cause an advisor to not be eligible for renewal registration.

The proposal is attached.

NASAA has opened a public comment period that will run through April 13, 2020. If you have any questions, and/or a critical mass thinks a further call on the topic would be helpful, I'd be happy to set up a conference line to discuss. Otherwise, I'd recommend you review the proposal and submit comments--mindful of the fact that they will be publicly available.

Stay safe, be well, and speak soon.

Regards,

Anthony