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Submitted via e-mail: cenal@michigan.gov
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Linda Cena, Chair
NASAA IAR CE Committee
750 First Street, NE, Suite 1140
Washington, DC 20002

Re: Continuing Education Proposal for Investment Adviser Representatives

Dear Chair Cena:

Thank you for the opportunity to comment on NASAA's proposed Investment Adviser Representative Continuing Education Program (the "Proposed Regulations"). PFS Investments Inc. ("PFSI" or "we") is a broker-dealer and investment adviser registered with the Securities and Exchange Commission and is an indirect wholly owned subsidiary of Primerica, Inc. We have over 18,000 registered representatives and over 3,500 investment adviser representatives licensed throughout all 50 states, and our clients have over \$70B of assets under management.¹ Our representatives help American households seek financial independence, with a focus on middle income families earning, on average, between \$30,000 and \$100,000 a year.²

PFSI is a member of SIFMA and we echo the concerns and observations raised by SIFMA regarding the Proposed Regulations. We write separately to ask NASAA to also consider the following issues as it moves forward.

Timeline: PFSI appreciates NASAA's concern with ensuring that investment professionals receive ongoing training. Yet, under the unprecedented circumstances in which the financial services industry finds itself, we respectfully suggest that NASAA temporarily defer consideration of the Proposed Regulations for an appropriate period of time. Amid a worldwide pandemic in

¹ As of December 31, 2019.

² U.S. Census Bureau, Census Population Survey 2016 Annual Social and Economic Supplement, last revised August 26, 2016. Based upon 125.8 mm households.

which firms are guiding clients and investment adviser representatives (“IARs”) through significant market volatility and economic uncertainty, implementing and adjusting to major operational shifts toward remote work arrangements, as well as preparing for significant changes related to Regulation Best Interest, we believe that extending the period for consideration of the Proposed Regulations would provide the industry with a more meaningful opportunity to participate in the regulatory process without causing harm to the investing public. Likewise, we note that a temporary deferral would serve the dual purpose of allowing the Proposed Regulations to be aligned with the final result of FINRA’s continuing education proposal.

Costs: Our IARs offer personalized advisory services to retail investors for investment minimums as low as \$25,000. These individuals provide valuable services to their clients, but many have relatively smaller client bases with lower total assets under advisement that generate modest revenue. These IARs rely on brokerage, advisory, insurance and other lines of business for income. Their combined operating expenses, including annual licensing renewals, existing continuing education costs, rent, staff and other general expenses are important factors for individuals weighing whether to enter or remain in the advisory business. The Proposed Regulations should carefully consider the potential negative impact of increasing costs on IARs, particularly those who are committed to serving middle-income investors.

CE Content: To the extent dual registrants would be required to complete additional CE, firms should retain broad flexibility to develop and deliver CE that is targeted to the firm’s advisory business and consistent with the firm’s registration status. As noted by SIFMA, business models and advisory services vary widely throughout the industry. Firm-specific content that incorporates themes identified by state regulators would benefit both IARs and the investors they serve.

We appreciate NASAA’s consideration of our comments and looking forward to participating in the process.

Sincerely,

Michael Lesutis