

From: [STEVEN THOMAS](#)
To: [NASAA Comments](#)
Subject: [EXTERNAL] Comments on Proposed CE Rule for IARs
Date: Tuesday, February 18, 2020 10:43:09 AM

Good Morning,

From my standpoint as a former state regulator, compliance consultant, and RIA Firm CCO, I am totally in support of CE requirements for IARs. Having conducted several hundred office examinations and mock audits in my career I have found a definite need for IAR CE. Since the vast majority of RIA firms have one or only a few IARs most firms do not have the time or resources for a dedicated CCO. This leaves a gap in the ability to stay abreast of compliance and regulatory changes. We used to say the problem with RIA firms is that "you don't know what you don't know". Having a mandatory CE requirement in place should make this a far less issue for many firms.

Having said the above, I am not sure that 12 hours per year is an optimal number for a CE requirement. While I feel CE is necessary, passing a 12 hour per year regulation I feel will promote a large number of "put in the time" courses which are not really effective learning or educational tools but are designed to just meet the hourly requirements. I would be much more in favor of 4-6 hours a year but putting some meaningful "teeth" in each course and require them to actually teach specific, meaningful, and appropriate content. I know something like this verbiage is included in the model rule but my experience in the industry tells me that despite regulatory efforts, requiring 12 hours CE every year will promote a ton of CE industry firms that are not really thinking about educating and informing IARs but are rather just promoting a means to sign off on the 12 hours needed.

I understand that for some IARs 100 hours a year would not be enough but I also think that for small firms with 1-2 IARs 12 hours a year may be a burden that promotes a "just get my CE done for the year" rather than "this will be good for me to keep me in compliance and my clients to promoted appropriate products and services".

Just one man's somewhat educated opinion...ST

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