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NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.

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January 25, 2022

The Honorable Sherrod Brown  
Chairman  
Senate Committee on Banking, Housing,  
and Urban Affairs  
534 Dirksen Senate Office Building  
Washington D.C. 20510

The Honorable Patrick J. Toomey  
Ranking Member  
Senate Committee on Banking, Housing,  
and Urban Affairs  
534 Dirksen Senate Office Building  
Washington D.C. 20510

Re: S. 3529, the Empowering States to Protect Seniors from Bad Actors Act

Dear Chairman Brown and Ranking Member Toomey:

On behalf of the North American Securities Administrators Association, Inc. (“NASAA”),<sup>1</sup> I am writing to request that the U.S. Senate Committee on Banking, Housing, and Urban Affairs acts swiftly on S. 3529, the Empowering States to Protect Seniors from Bad Actors Act. NASAA supports this important legislation.

As you know, consistent with NASAA’s longstanding efforts to protect our nation’s most vulnerable investors, NASAA called on Congress last year to place the interests of investors front-and-center and take steps to prevent the exploitation of older investors.<sup>2</sup> Passage of S. 3529 would do both. In short, this bill would establish a grant program to enhance existing efforts by state securities and insurance regulators to protect senior investors and policyholders from financial fraud. Importantly, with respect to the grant program, the bill would: (A) make the U.S. Securities and Exchange Commission (“SEC”) the program administrator; (B) give the SEC the authority and tools necessary to operate a data-driven grant program; (C) empower the SEC to make grants to state regulators from across the United States; (D) authorize an appropriation of \$10,000,000 to the SEC for each of the fiscal years 2023 through 2028 to make such grants; (E) require the SEC to cap each grant at \$500,000; and (F) effectively create more opportunities for federal and state securities regulators to communicate and coordinate in their efforts to protect senior investors.<sup>3</sup>

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<sup>1</sup> Organized in 1919, NASAA is the oldest international organization devoted to investor protection. NASAA’s membership consists of the securities administrators in the 50 states, the District of Columbia, Canada, Mexico, Puerto Rico, and the U.S. Virgin Islands. NASAA is the voice of securities agencies responsible for grassroots investor protection and efficient capital formation.

<sup>2</sup> See [NASAA’s Legislative Agenda Calls for Congress to Prioritize Investor Protection](#) (Mar. 8, 2021).

<sup>3</sup> In November 2021, Congressman Josh Gottheimer (D-NJ) introduced this legislation in the House of Representatives. The House Financial Services Committee approved [H.R. 5914](#) by a voice vote. During the mark-up, Rep. Gottheimer, Rep. Sylvia Garcia (D-TX), and Rep. Bill Huizenga (R-MI) urged their colleagues to approve

This legislation is a win for everyone, particularly older adults. For decades, state securities regulators have been leaders in the effort to protect seniors and other vulnerable adults from financial exploitation. We have developed strategic partnerships with the SEC and other regulators, state and federal law enforcement agencies, and organizations dedicated to serving older adults. In addition, we have prioritized senior-focused education, outreach, examination, and enforcement.<sup>4</sup> By way of example, we joined forces to identify and stop abusive sales practices at so-called “free lunch” or “free dinner” seminars and dedicated significant resources in supporting the passage and implementation of NASAA’s Model Act to Protect Vulnerable Adults from Financial Exploitation, which 33 states have adopted in whole or in part.<sup>5</sup>

We thank Senators Van Hollen, Scott, Lummis, and Warnock for introducing this legislation. Swift, bipartisan passage of it would be yet another message to elderly investors across the United States that we are all in their corner.

Thank you for your consideration of NASAA’s comments. Should you have any questions, please do not hesitate to contact me or Kristen Hutchens, NASAA’s Director of Policy and Government Affairs, and Policy Counsel, at [khutchens@nasaa.org](mailto:khutchens@nasaa.org).

Sincerely,



Melanie Senter Lubin  
NASAA President  
Maryland Securities Commissioner

CC: Members of the U.S. Senate Committee on Banking, Housing, and Urban Affairs  
The Honorable Maxine Waters  
The Honorable Josh Gottheimer

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the legislation. Read [NASAA's letter of support](#). Reps. Garcia and Huizenga are cosponsors, as is Rep. Brian Fitzpatrick (R-PA).

<sup>4</sup> Among other efforts to collaborate, the SEC and NASAA have released numerous education resources for senior investors, as well as training materials and other resources for financial firms that serve senior investors. *See, e.g.*, SEC and NASAA, [Making Sense of Financial Professional Titles](#) (Sept. 2013); [NASAA, SEC & FINRA Issue Senior Safe Act Fact Sheet to Help Promote Greater Reporting of Suspected Senior Financial Exploitation](#) (May 23, 2019); [NASAA, SEC and FINRA Offer Free Resource to Securities Firms to Assist in Detection, Prevention, and Reporting of Financial Exploitation of Seniors](#) (June 15, 2021); [FINRA, NASAA and SEC OIEA Urge Investors to Establish a Trusted Contact to Increase Investor Protection](#) (Sept. 28, 2021); [NASAA Releases Annual Enforcement Report](#) (Sept. 29, 2021).

<sup>5</sup> *See* [AARP and NASAA Launch “Free Lunch Seminar Monitor” Program](#) (Oct. 14, 2008) and [NASAA Model Act to Protect Vulnerable Adults from Financial Exploitation, State Enactment List](#).