

From: [Charles Blasdel](#)
To: [NASAA Comments](#)
Cc: [Amy Kopleton](#); [Bouchard, Stephen \(DISB\)](#)
Subject: [EXTERNAL]Business Practices Rule Proposal Comment
Date: Thursday, November 30, 2023 2:10:03 PM

North American Securities Administrators Association
Suite 990
750 First Street NE
Washington, DC 20002
Broker-Dealer Committees:

Thank you for the opportunity to comment on NASAA's proposed revisions to its Dishonest or Unethical Business Practices of Broker-Dealers and Agents. As the former Speaker Pro Tempore of the Ohio House of Representatives and past chairman of the Ohio House Banking, Pensions and Securities Committee, I can appreciate NASAA's stated goal of helping states align their rules with the principles of the Securities and Exchange Commission's Regulation Best Interest (Reg BI), I am concerned by comments from industry that NASAA's proposal goes far beyond Reg BI and risks hurting investors by creating a patchwork regulatory system where an investors level of care is dictated by where they happen to live at any given point in time.

Rather than incorporating the Reg BI, stakeholders have suggested that NASAA's model rules conflict with the federal regulation in several key areas. This is particularly troubling as Reg BI was designed to establish a clear, uniform, and national standard across all 50 states. The conflicts created by states adopting the NASAA proposal would undermine this easy-to-understand national standard.

Particularly troubling is the proposal's invitation to states to selectively implement pieces of the NASAA rules. This will lead to a patchwork regulatory landscape that would not only cause confusion but also create an uneven playing field for investors. Such fragmentation is directly at odds with the unified approach sought by Reg BI.

Another concern is that the proposal appears to significantly expand upon the requirements included in Reg BI. As others have noted, NASAA's definition of what constitutes a recommendation, what constitutes acceptable compensation, and how conflicts of interest are mitigated depart significantly from the rules adopted by the SEC. Rather than aligning states with SEC regulations, NASAA's proposal would put adopting states at odds with the federal regulator. This is likely to lead to more confusion by consumers and fewer choices offered by industry.

Given these concerns, I urge NASAA to reconsider and withdraw the current proposal. NASAA's own research suggests that financial professionals are making progress in complying with Reg BI. This progress begs the question of the necessity for such a sweeping proposal from NASAA at this time.

Sincerely,

Chuck Blasdel

Chuck Blasdel

The Blasdel Group

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CC: Ohio Governor Mike DeWine

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