
From: Dorsey Ridley
Sent: Friday, December 1, 2023 5:32 PM
To: NASAA Comments
Cc: Amy Kopleton; Bouchard, Stephen (DISB)
Subject: [EXTERNAL]Business Practices Rule Comment

North American Securities Administrators Association
750 First Street NE
Suite 990
Washington, DC 20002

NASAA Broker-Dealer Committees:

I appreciate the opportunity to comment on NASAA's proposed revisions to its Business Practices Rule. I have three concerns I would like to raise.

First, I am concerned about reports that NASAA is presenting a rewrite of the SEC's Regulation Best Interest (Reg BI) under the guise of helping states better align with it. Comments that NASAA has gone further than the SEC with certain definitions and restrictions are troubling. I am particularly concerned by comments that the NASAA proposal would disrupt consumers' access to certain investment products and advice that the SEC sought to protect. NASAA and state securities regulators play an important role in protecting the investing public. Still, NASAA is not an appropriate venue from which to rewrite and revise national investor protections that were produced with significant input from Congress and other stakeholders.

Second, I am troubled by the mismatch between the Reg BI's establishment of a uniform national standard and NASAA's invitation to states to adopt pieces of its proposal. It is difficult to see how inviting a patchwork of consumer protections that vary state by state "aligns" with Reg BI's national standard or helps consumers. It is a recipe for confusion and increased costs.

Finally, I am troubled by the lack of economic analysis attached to the proposal. Given reports that the proposal departs in serious ways from Reg BI, states should be given the opportunity to see the costs and tradeoffs their consumers will experience if the proposal is adopted.

Let me close by expressing my support for state securities regulators. You do important work protecting the investing public. There are serious questions, however, about whether this proposal does what it purports to do. Aligning states with Reg BI is one thing.

Rewriting the consumer protection is another. NASAA should pause and ensure its proposal aligns with, and does not expand, Reg BI, before proceeding.

Sincerely,

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