
From: Gregg Connell
Sent: Friday, December 1, 2023 3:53 PM
To: NASAA Comments; Amy Kopleton; Bouchard, Stephen (DISB)
Subject: [EXTERNAL]Comment on Proposed Revisions to NASAA's Model Business Practices Rule

Broker-Dealer Committees:

The Shenandoah Chamber and Industry Association submits these comments to North American Securities Administrators Association (“NASAA”) regarding proposed revisions to its Business Practices Rule. Our organization appreciates the service of NASAA’s members and staff and recognizes the important role NASAA plays in protecting consumers by advocating for “passage of strong, sensible, and consistent state securities laws and regulations.”

Through this comment, we urge NASAA to revisit its proposed revisions in light of its stated mission to support “consistent” regulations. We share concerns expressed by others that the proposal is inconsistent with existing federal securities regulations and state laws like the NAIC Annuity Best Interest Standard adopted by Iowa in 2021. We also share fears that the proposal’s invitation to states to treat the revisions like a “menu” of options will result in a patchwork regulatory system that is difficult to understand and navigate.

Promoting inconstant rules is contrary to NASAA’s mission, and for good reason. As an example of how consistent rules benefit consumers, consider that Bankrate in 2023 named Iowa the best state to retire due to its low crime, good healthcare options, and affordability. Fragmented regulations would leave retirees moving to Iowa wondering what rules apply to the financial professionals that they work with here and what rules apply to the professionals they may still work with in the states they have left. Retirees should not have to worry about what rules apply and when. There should be clear rules of the road.

The good news is that these unintended consequences can be avoided if NASAA withdraws its revisions and works to better align a future proposal with the SEC, NAIC, and other actors. Our organization looks forward to seeing such a proposal and to potentially offering our support.

Our organization appreciates your consideration.

Sincerely,

Gregg Connell
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