
From: Jason Rae
Sent: Monday, November 20, 2023 5:01 PM
To: NASAA Comments; Amy Kopleton; Bouchard, Stephen (DISB)
Subject: [EXTERNAL]Comment – Timing of NASAA’s Rule & Pending Federal Regulations

Attn: Amy Kopleton, Group Chair, Broker-Dealer Market and Regulatory Policy and Review Project, and Stephen Bouchard, Chair, Broker-Dealer Section
North American Securities Administrators Association, Inc. (NASAA)
750 First Street, N.E., Suite 990
Washington, D.C. 20002

To Whom It May Concern:

Thank you for the opportunity to comment on the updates NASAA proposes to make to its Business Practices Rule. I appreciate the work that securities regulators do to protect the public both individually in states and collectively through the NASAA. As President & CEO of the Wisconsin LGBT Chamber of Commerce, I recognize the difficult balancing act that regulators must strike between protecting consumers and avoiding overly burdensome, unnecessary regulations that may result in unintended consequences. I will let others comment on whether NASAA has struck the proper balance with its draft. My only comment is regarding the timing of the proposal.

As you know, President Biden announced on October 31, 2023, that his administration is beginning new rulemaking through the Department of Labor that will expand when financial professionals owe their clients fiduciary care. That proposal is now open for comment and will not be final until sometime next year. Relatedly, the Securities and Exchange Commission is considering investor protections to ensure that predictive data analytics models in financial services do not present conflicts of interest.

The DOL and SEC rules are priorities for the administration. While I believe NASAA intends to produce a model proposal that complements the protections developed by the DOL and SEC, there is a risk in NASAA getting too far out in front. Specifically, NASAA may produce rules that conflict with the final proposals or that are inconsistent in ways that undercut new federal protections or that cause confusion for investors. It may be better for NASAA to wait on its update so it can better help states lock in the protections that DOL and SEC eventually create in ways that best serve consumers and that do not risk undercutting the Biden administration’s goals.

Thank you for your service.

Respectfully,
Jason Rae

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Pronouns: He/Him/His



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