

REPRESENTATIVE

John Maddox

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DISTRICT 86

Counties:

Part Howard
Montgomery
Polk

COMMITTEES:

Education
Chairperson,
Insurance and Commerce
Joint Committee on Public Retirement
and Social Security Programs

Legislative Joint Auditing Committee

2nd Alternate,
Arkansas Legislative Council

December 4, 2023

The Broker-Dealer Market and Regulatory Policy and Review Project Group
North American Securities Administrators Association
750 First Street NE, Suite 990
Washington, DC 20002

To Whom It May Concern:

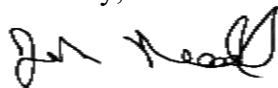
Thank you for allowing me to provide feedback on NASAA's proposed revisions to its Business Practices Rule. As the Chairman of the Arkansas House Insurance & Commerce Committee, I am concerned about the potential regulatory changes that could weaken the U.S. Securities and Exchange Commission's Regulation Best Interest (Reg BI) rule. If the proposed NASAA rule is enacted, it could create a conflict between state and federal rules, leading to confusion for both consumers and businesses. Additionally, it could result in a more complicated regulatory environment if different states choose to adopt different components of the rule.

Reg BI was created after years of engagement and was carefully written to establish a nationwide standard of investor protection. It was designed to ensure that investors, especially those with lower incomes, could still access investment advice and products while their standard of care was raised. The authors of Reg BI recognized that consumers benefit from having choices in the marketplace and sought to ensure that those choices continue to exist under the rules.

As has been pointed out publicly, the NASAA proposal goes against Reg BI. It diverges from both the spirit and technical details of Reg BI in significant ways. NASAA's suggestion that states can adopt "one, some, or all" of the proposal is particularly at odds with Reg BI, which aimed to create a standard of care for investors, regardless of where they live.

While few would object to NASAA's goal of providing states with a framework of rules that align with federal regulations, the proposal currently on the table falls short. For this reason, I hope you will reconsider it.

Sincerely,



John Maddox
State Representative
District 86

JM/jc