



## STATE SECURITIES REGULATORS PRESS TO EXPAND JURISDICTION

by

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Texas Securities Commissioner Denise Voigt Crawford, incoming president of the North American Securities Administrators Association (“NASAA”), announced an ambitious agenda at NASAA’s annual conference in Denver on September 15, 2009.

Crawford credited the current recession with increasing “the world’s appreciation of the importance of sound financial regulation.” Referring to the recession, she said, “While this catastrophe was the result of many failures, I am very proud to say that a failure of state securities regulation was not one of them.” Pointing to state regulators’ exposure of conflicts of interest among stock analysts, market timing and late trading of mutual funds, abuse of senior investors and improper marketing of auction rate securities, Crawford described the credibility of these officials as “effective governmental regulators at its zenith.”

The new NASAA president pledged to leverage this good reputation to influence the direction of financial regulatory reform. NASAA’s objectives are:

- Reinstate state oversight of all Rule 506 private placement offerings.
- Oppose making the Federal Reserve a “systemic risk regulator” in favor of a council made up of federal and state financial regulators.
- Extend, preferably by statute, a fiduciary duty standard to all who give investment advice.
- Increase the dividing line between federal and state regulation of investment advisory firms from \$25 million to \$100 million.
- Oppose any self-regulatory organization for investment advisors.
- Ban mandatory, industry-run arbitration for investors.
- Oppose replacement of the current mandatory \$1 per share net asset value for money market mutual funds with a floating valuation.

Crawford also announced the re-launch of a NASAA project to streamline the broker-dealer registration process that was once called the “Green Project.” Renamed the “Emerald Project,” Crawford promised this effort would focus on state broker-dealer registration requirements, including uniform treatment of “mass transfers” of agent registrations, to reduce compliance costs for industry.

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### AT THE FSDA

#### Election Results

The ballots cast for the 2009 election of the FSDA’s Board of Governors have been tabulated, and the Association has a new slate of directors. The following firm representatives have been elected to the Board for three-year terms: **Laura J. Hawley** (Allen & Company of Florida, Inc.); **Daniel J. Kraus** (Raymond James & Associates, Inc.); **Alex Sabo** (Bressler, Amery & Ross); **Ronald**