



Mark J. Gallagher
Vice President
Government Relations

April 27, 2007

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Bryan J. Lantagne
Director
Massachusetts Securities Division
One Ashburton Place
Boston, MA 02108

Dear Mr. Lantagne:

Fidelity Investments¹ appreciates the opportunity to provide comments on the Securities Division's proposed regulations prohibiting broker-dealer agents and investment adviser representatives from using certain professional designations. We recognize and support the Division's interest in protecting the Commonwealth's senior citizens from unscrupulous and fraudulent practices, including the use of purported or misleading credentials and designations of expertise in the financial issues of elders. However, we do have significant concerns about the potentially broad impact and unintended consequences of the proposed regulations as they are currently drafted.

The Securities Division makes clear that the proposed regulations seek to address significant concerns about sales practices that target senior citizens and utilize misleading credentials to promote the purchase of unsuitable investments.² We agree that there should be no place in the financial services industry for this type of activity. However, we believe that the regulations, as drafted, go far beyond addressing such concerns and could unreasonably restrict and interfere with legitimate activities and practices of broker-dealer agents and investment adviser representatives registered in Massachusetts.

First, although the regulations target the use of "a purported credential or professional designation," it is unclear whether the regulations would also apply to customary job titles or job designations used by broker-dealer agents and investment adviser representatives in ordinary communications, correspondence and on business cards. For

¹ Fidelity Investments is one of the world's largest providers of financial services, with custodied assets of \$3.0 trillion, including managed assets of \$1.4 trillion as of February 28, 2007. Fidelity offers investment management, retirement planning, brokerage, and human resources and benefits outsourcing services to more than 23 million individuals and institutions as well as through 5,500 financial intermediary firms. The firm is the largest mutual fund company in the United States, the No. 1 provider of workplace retirement savings plans, the largest mutual fund supermarket and a leading online brokerage firm.

² "Discussion of Reasons for, and Objectives of, Proposed Regulation Regarding Use of Senior Designations" published by Massachusetts Secretary of State. We note that much of the record centered on the activities and practices of individuals and entities selling annuities and other insurance products and that the proposed regulations would not apply to insurance entities or products.

example, the job title “senior specialist” could be interpreted under the regulations as a proscribed credential or designation even though no credential or designation is implied or intended. The unreasonableness of this result is particularly acute given that the term “senior” in job titles most often refers to the seniority of the employee in terms of experience and not the age of the customer. We suggest that the proposal be clarified to exclude customary job titles and apply only to credentials and professional designations used in the sale of products or services by a broker-dealer agent or investment adviser representative.

Second, Fidelity is particularly concerned that the proposed restrictions on the use of the word “retirement” in credentials, designations and titles would expand the scope and impact of the proposed regulations in an unnecessary and potentially misleading way. While most senior citizens may be retired, the use of the term “retirement” in the financial services industry does not target or refer to this segment of the population. Retirement savings and retirement security are concerns of individual of *all ages*, and retirement products and services are offered and marketed to individuals at all stages of life. In fact, some retirement products and services, such as workplace savings plans, are typically offered only to those individuals who are still employed and have not yet retired. As one of the nation’s largest brokerage complexes and the largest provider of 401(k) workplace savings plans, Fidelity and its retirement professionals work with customers of all ages to address their retirement savings needs and concerns. We suggest that the proposed regulations be amended to eliminate applicability to the use of the word “retirement” as determining whether a designation indicates or implies special expertise in advising or servicing senior investors.

Third, the regulation does not appear to be confined to instances of actual interaction with or marketing to senior citizens or elders. Regardless of whether the broker-dealer agent or investment adviser representative is actually interacting with senior citizens, the use of a credential, professional designation or title including words such as “senior,” “elder” or “retirement” along with words like “specialist” could be deemed to be a fraudulent practice under the regulations as currently drafted. The regulation should be clarified to expressly state that it would apply only to the use of credentials or professional designations in the course of selling products or services to senior investors.

Fourth, we are concerned that the accreditation requirement set forth in the regulations is too restrictive and does not recognize the extensive training that licensed broker-dealer agents and investment adviser representatives may receive in the workplace. Fidelity’s agents and representatives are registered with the NASD, receive comprehensive internal instruction and are required to complete ethics, compliance and financial services training on an ongoing basis. The regulations should provide the opportunity for firms to use internal training programs to meet the requirements of accreditation. In addition we believe the regulation should identify in advance the specific accreditation organizations that will be recognized and approved by the Secretary.

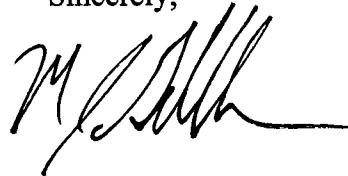
Finally, like many broker-dealers and investment advisers, Fidelity’s employees work with customers in all 50 states. For this reason we are concerned about the impact of a

state-by-state regulatory approach in this area. We encourage the Division to work with the North American Securities Administrators Association to explore a model rule in this area and coordinate the Division's efforts with the SEC and the NASD. We believe that uniform national requirements are best for both seniors and regulated entities.

We believe that a more narrowly tailored regulation focused on the fraudulent use of misleading credentials coupled with the Division's existing powers to prohibit the sale of unsuitable investment products and other fraudulent sales practices would best address the concerns about elder financial abuse shared by the Division and all reputable investment professionals.

Again, we thank you for the opportunity to provide input on this important issue. Please do not hesitate to contact me if you have any questions or require additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Gallagher', with a long horizontal flourish extending to the right.

Mark J. Gallagher
Vice President
Government Relations