



The Commonwealth of Massachusetts

Secretary of the Commonwealth
State House, Boston, Massachusetts 02133

William Francis Galvin
Secretary of the Commonwealth

January 13, 2026

The Honorable
Tim Scott
Chairman
U.S. Senate Committee on
Banking, Housing,
and Urban Affairs
Washington, DC 20510

The Honorable
Elizabeth Warren
Ranking Member
U.S. Senate Committee on
Banking, Housing,
and Urban Affairs
Washington, DC 20510

The Honorable
Edward Markey
255 Dirksen Senate Office
Building
Washington, DC 20510

RE: Opposition to the “Responsible Financial Innovation Act of 2026”

Dear Chairman Scott, Ranking Member Warren, and Senator Markey:

I am writing in my capacity as the chief securities regulator for Massachusetts¹ to express my continued opposition to the Responsible Financial Innovation Act of 2026 (“RFIA”).² I urge members of the U.S. Senate Committee on Banking, Housing, and Urban Affairs (the “Committee”) to vote no on advancing RFIA as drafted. Numerous provisions of the bill will not promote clarity with respect to digital assets. Instead, convoluted definitions, the purported division of federal regulatory oversight, and lack of meaningful state authority will expose investors to unjustified risks. At a minimum, three commonsense amendments are necessary: (1) amend RFIA to preserve state authority to protect main-street investors; (2) remove Title I, Section 108(d); and (3) amend Title V, Section 505.

A. Preserve State Authority to Protect Investors

RFIA includes sweeping provisions that will exclude bad actors and secondary market participants that prey upon investors and portions of the financial industry from state oversight.

¹ The Office of the Secretary of the Commonwealth (the “SOC”) administers and enforces the Massachusetts Securities Act, M.G.L. c.110A, through the Massachusetts Securities Division. In addition, the SOC administers and enforces the Commonwealth’s corporate law through its Corporations Division and supervises the Commonwealth’s Registries of Deeds.

² This letter supplements my August 11, 2025 and October 7, 2025 comment letters to the Senate Banking Committee opposing Congressional action that undermine state-level investor protections. See Comments of Secretary of the Commonwealth William F. Galvin: <https://www.sec.state.ma.us/divisions/securities/download/8-11-25-Digital-Asset-Legislation.pdf> and <https://www.sec.state.ma.us/divisions/securities/download/Galvin-Letter-Senate-Banking-Committee-10-7-25.pdf>

My office has consistently protected retail investors from financial frauds, including in the digital asset space. Having no state recourse is a recipe for disaster for millions of savers.

RFIA should preserve the investigatory and enforcement powers of state securities regulators alongside the SEC concerning dishonest conduct. Such amendment would be consistent with preserving state authority in other areas of the bill (*see, e.g.*, Title V Section 501, preserving state law concerning “dishonest, or other unlawful conduct or practices . . .”). Similarly, Sections 108(e) and (f) designate newly defined assets as covered securities without preserving state authority otherwise found in Section 18 of the Securities Act. The Committee should also amend those sections to explicitly preserve state authority to receive notice filings and pursue anti-fraud enforcement.

B. RFIA Shoehorns Exemptive Relief to Risky Corners of Financial Markets

Section 108(d) represents an inexplicable departure from the sponsors’ stated goal to bring clarity to digital asset markets. Instead, this section represents a gift to those who sell high-risk securities. It would allow for preemption of the initial distribution and secondary trading of abusive penny stocks and microcap stocks. Many small investors have lost millions in this segment of the market. The Committee should strike Section 108(d).

C. RFIA Injects Confusion into Traditional Areas of State Oversight

Section 505 of RFIA is a misplaced effort to establish a framework for the oversight of tokenized “real world assets,” including real estate and many kinds of contractual rights. My office has been responsible for the oversight of real estate and corporate filings for decades. The rising tide of deed fraud and other fraudulent transfers shows the need to preserve state enforcement powers. Section 505 strikes at the heart of this traditional function of state government by designating the CFTC and SEC with exclusive authority to develop rules and enforce potential violations concerning tokenized real-world assets. RFIA has the potential to wreak havoc in traditional areas of state oversight, leading to huge financial losses. The Committee should remove those provisions of RFIA that act as a vehicle to remove or disrupt the longstanding role of states in regulating real world assets.

RFIA is a generous gift to the crypto industry and a grave threat to retail investors. I urge the Committee to amend any market structure bills to address these critical concerns. Please do not hesitate to contact me or Anthony R. Leone, Deputy Secretary – Securities Division at 617-727-3548, if you have questions or we can assist in any way.

Sincerely,

A handwritten signature in blue ink, reading "William F. Galvin". The signature is fluid and cursive, with the first name "William" and last name "Galvin" clearly legible.

William F. Galvin
Secretary of the Commonwealth
Commonwealth of Massachusetts