



# *The Commonwealth of Massachusetts*

*Secretary of the Commonwealth*  
*State House, Boston, Massachusetts 02133*

*William Francis Galvin*  
*Secretary of the Commonwealth*

May 12, 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: Committee on Banking, Housing, and Urban Affairs' May 14, 2026 Markup –  
H.R.3633, the Digital Asset Market Clarity Act of 2025- VOTE NO**

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

I am writing in my capacity as the chief securities regulator for Massachusetts<sup>1</sup> to urge you to **VOTE NO** on H.R.3633, the Digital Asset Market Clarity Act, as amended, (the “Clarity Act”) scheduled for Committee consideration on May 14, 2026. I have consistently called for legislation that protects investors and savers by preserving (1) state authority to pursue fraud, manipulation, and deceptive practices and (2) traditional securities principles.<sup>2</sup> The Clarity Act fails to address these fundamental concerns.

The Clarity Act will erode traditional state securities authority to the detriment of investors. The act should be amended to: (1) preserve, definitionally, what constitutes a security;

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

<sup>2</sup> See Letter from The Office of the Secretary of the Commonwealth to Senate Banking Committee Chairman Scott, Ranking Member Warren, and Senator Markey, dated August 11, 2025, <https://www.sec.state.ma.us/divisions/securities/download/8-11-25-Digital-Asset-Legislation.pdf>; Letter from The Office of the Secretary of the Commonwealth to Senate Banking Committee Chairman Scott, Ranking Member Warren, and Senator Markey, dated October 7, 2025, <https://www.sec.state.ma.us/divisions/securities/download/Galvin-Letter-Senate-Banking-Committee-10-7-25.pdf>; and Letter from The Office of the Secretary of the Commonwealth to Senate Banking Committee Chairman Scott, Ranking Member Warren, and Senator Markey, dated January 23, 2026, <https://www.sec.state.ma.us/divisions/securities/download/1-23-26-Securities-Senate-Banking-Committee-Letter-3.pdf>.

(2) uphold state law protections against speculative penny stocks; and (3) preserve the ability of state securities regulators to pursue all market participants who deal unethically or dishonestly with investors.

- The Clarity Act should not narrow the application of investment contract analysis or the transactions to which it applies—either through new definitional terms (*e.g.*, Ancillary Assets) or transactional loopholes.
- The Clarity Act should not open the door to further exemptive relief for the riskiest corners of the market, including penny stocks and other high-risk securities, by granting broad exemptive relief for “qualified transactions.”
- The Clarity Act should not place form over substance and insulate intermediaries from state authority when they transact in assets that are securities or securities in tokenized form.

I further urge the Committee to adopt two simple and commonsense amendments that preserve state authority to protect investors.

1. ***“State Investor Protection.*** *Notwithstanding any other provision of law, nothing in this Act, nor any rule, regulation, or order promulgated pursuant to this Act, shall be construed to preempt, modify, impair, supplant or limit any State statute or regulation concerning the protection of investors and the enforcement rights and remedies thereunder.”*
2. ***Strike Sec. 108(e) and Any Provision Granting Power to the Securities and Exchange Commission to exempt “qualified transactions.”*** Sec. 108(e) allows for preemption with respect to the riskiest corners of the traditional securities markets.

I strongly urge the Committee to amend the Clarity Act 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 that reads "William Francis Galvin". The signature is written in a cursive, flowing style.

William Francis Galvin  
Secretary of the Commonwealth  
Commonwealth of Massachusetts