



# *The Commonwealth of Massachusetts*

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

*William Francis Galvin*  
*Secretary of the Commonwealth*

October 7, 2025

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: Comments on the “Responsible Financial Innovation Act of 2025” –  
Preservation of State Authority to Protect Citizens**

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 express my continued opposition to certain provisions of the Responsible Financial Innovation Act of 2025 (“RFIA”), as modified on September 5, 2025. RFIA does not create clarity. Instead, it will disrupt oversight of the financial markets to the detriment of investors. Moreover, RFIA is unacceptable in its expansive impact on the treatment of “real world assets” at the state level. I strongly urge Congress to strike or modify Sections 105, 109, and 406, preserve state anti-fraud authority, and recommend the adoption of proposed amendments preserving state authority.<sup>2</sup>

**A. RFIA will Unnecessarily Harm State Interests in Protecting Investors**

The latest version of RFIA contains new, sweeping provisions that will exclude significant portions of the financial industry from state oversight. This is a recipe for disaster for millions of savers. Sections 109(e) and 109(f) in particular, represent a reckless departure from the well-tested, and industry-accepted, joint framework governing products and persons.

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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 also 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>

Congress should strike Section 109(e), which reaches financial assets far beyond crypto. Section 109(e) would preempt state authority over a wide-range of high-risk securities, including abusive penny stocks and microcap stocks.

Similarly, Section 109(f) will result in avoidable and harmful consequences. Section 109(f) will create a dual system governing financial transactions and create confusion as it relates to individuals providing advice and transacting in both traditional securities and any new investment products. My office has protected investors through a regulatory system that guards against the sale of investments and the provision of advice by bad actors in the financial space *before* those bad actors harm investors. Section 109(f) will remove meaningful state oversight of individuals and firms when they offer ancillary assets. In addition, unless modified, Section 109(f) fails to protect the ability of states to address unethical and dishonest conduct after it occurs. This is especially troubling given that current proposals apparently recognize unlawful conduct will occur in the digital asset space. Failing to correct this regulatory “black hole” will put everyday savers at great risk.

**B. RFIA will Unnecessarily Inject Confusion into Traditional State Oversight**

Section 406 is a misplaced effort to provide a scaled-back framework for the oversight of tokenized “real world assets” including real estate and other contractual rights. My office has been responsible for the oversight of corporate filings for decades. Section 406 strikes at the heart of this traditional function of state government by designating the CFTC and SEC as authorities to enact rules that will affect these operations. A mere passing reference in Section 406(c)(1)(B) to a study of potential “fraud and false claims” is insufficient, and the lack of state involvement is unacceptable. Moreover, as supervisor of the Registry of Deeds offices, real estate assets have no place on a potentially anonymous digital ledger. The rising tide of deed fraud and other fraudulent transfers shows the need to carefully make any changes relating to real estate records and transfers, with necessary state input. This is to say nothing of the complete disarray that will result if tokenized real world assets are unmoored from state-level legal requirements concerning the recording of such assets. Congress at a minimum should preserve the stability, openness, and reliability of the traditional filing and recording of these instruments.

I urge Congress 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