



May 14, 2013

Office of the Secretary of the Commonwealth
Attn: Proposed Regulations
Massachusetts Securities Division
One Ashburton Place, Room 1701
Boston, MA 02108

RE: Request for Comment Regarding Additional Requirement for Investment Adviser
Representative Registration Applications (950 CMR 12.205(2)(d)1)

Dear Securities Director Lantagne:

I am writing today on behalf of the Securities Industry and Financial Markets Association (SIFMA)¹. SIFMA is a trade association which represents the shared interests of hundreds of securities firms, banks, and asset managers, many of whom have a strong presence in Massachusetts. I am writing to express our interest in working with the Massachusetts Securities Division (the "Division") on its proposal to amend 950 CMR 12.205 relating to investment adviser registration. Of note, the proposed regulations would require those seeking investment adviser representative ("IAR") registration in Massachusetts to file as part of their application a Criminal Offender Record Information ("CORI") Acknowledgement Form.

We support the intent of the proposed regulations to protect investors through diligent background checks on IA representatives applying for registration. The protection of customer assets is an essential priority for the financial services industry and firms dedicate significant resources to ensuring they hire only the most trustworthy employees. Firms have built extensive background check processes to comply with extensive state and federal regulation surrounding the criminal history of IARs.

While we appreciate the intent of the proposed regulations, it also raises the potential to require firms to adopt state-specific practices that are inconsistent with these well-established industry background check practices. We would like to work with the Division to better understand its views on implementation and to address some of our questions about potential delays in the registration process. Specifically, we are concerned that the new procedural requirements, including managing the new CORI Acknowledgement Form and responding to inquiries from

¹ The Securities Industry and Financial Markets Association (SIFMA) brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA's mission is to support a strong financial industry, investor opportunity, capital formation, job creation and economic growth, while building trust and confidence in the financial markets. SIFMA has offices in New York and in Washington, D.C. For more information, visit <http://www.sifma.org>

the iCORI database, could result in delays that limit IARs from their core financial advisory activities.

Also, we would like to better understand the administrative aspects of this proposal, including how firms would transmit and receive criminal background check information and whether the state would exempt this new information from public records requests. Feedback from the Division would be helpful as firms consider whether and how to build any new record-keeping, storage and data disposal processes.

Again, we agree with the Division that thorough background checks for financial services employees are critical to investor protection. As we move towards this common goal, we request the opportunity to work with the Division to avoid unnecessary registration delays that could affect firms, clients, and ultimately investors.

Thank you for your consideration. Please feel free to contact me at 212-313-1311.

Sincerely,

A handwritten signature in cursive script that reads "Kim Chamberlain".

Kim Chamberlain
Managing Director and Associate General Counsel
State Government Affairs