



July 26, 2019

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

Re: Comments on Proposal Fiduciary Conduct Standard

Dear Secretary Galvin:

Thank you for the opportunity to provide comments regarding the recently proposed draft state rule “to apply a fiduciary conduct standard on broker-dealers, agents, investment advisers, and investment adviser representatives when dealing with their customers and clients.” As a non-partisan, public policy organization representing diverse industry sectors, we support a consistent approach to safeguarding the rights of investors and taxpayers in Massachusetts and across the country.

The Massachusetts Business Roundtable joins with other business organizations and trade associations to express concerns that this proposal, while well intentioned, may impact Massachusetts’ competitiveness. As a group representing large, multi-state employers, the Roundtable supports strong, consistent federal standards to ensure consumer protections are in place, while maintaining a level playing field for businesses operating in multiple states.

To that end, the U.S. Securities and Exchange Commission recently created a new, nationwide, heightened standard of conduct for broker-dealers. This raises the standard of care received by investors while avoiding unintended negative consequences of overly broad, state-by-state rules.

The Roundtable respectfully suggests a delay in decision making at the state level until after the new federal standard is implemented. By waiting, Massachusetts will have the benefit of seeing the new federal standard operationalized and can assess how entities changed their practices to comply with this heightened federal standard and the investor protection benefits it provides. This also provides an opportunity to evaluate any negative impacts or unintended consequences on the state’s economic competitiveness.

Thank you for providing this opportunity to provide feedback on the draft fiduciary conduct standard. We appreciate your collaboration to ensure that Massachusetts remains a highly desirable place for businesses to grow and compete effectively in the global economy.

Sincerely,

A handwritten signature in black ink, appearing to read "JD Chesloff". The signature is written in a cursive, flowing style.

JD Chesloff  
Executive Director  
Massachusetts Business Roundtable