



VOICE OF INDEPENDENT FINANCIAL SERVICES FIRMS  
AND INDEPENDENT FINANCIAL ADVISORS

## VIA ELECTRONIC MAIL

August 1, 2016

Secretary Robin L. Weissmann  
Office of Chief Counsel  
Attention: Public Comment on Regulation 3-54  
Department of Banking and Securities  
17 North Second Street, Suite 1300  
Harrisburg, PA 17101-2290

Re: Notice of Request for Comments on Securities Regulations Omnibus Amendments

Dear Secretary Wiessmann:

On July 2, 2016, the Pennsylvania Department of Banking and Securities (Department) issued a proposed rulemaking titled Securities Regulations Omnibus Amendments (Proposal) for public comment. The Proposal amends and updates Pennsylvania's current set of regulations which govern the sale of securities in the state. The Financial Services Institute (FSI) appreciates the opportunity to comment on this important Proposal.<sup>1</sup>

FSI's members are strongly committed to working with all stakeholders to help ensure clarity for financial advisors and broker-dealers, when complying with both state and federal securities requirements. FSI commends the Department's determination to amend its current regulations to address changes in federal law and promote increased uniformity in regulations among the fifty states.

### **Background on FSI Members**

The independent financial services community has been an important and active part of the lives of American investors for more than 40 years. In the U.S., there are approximately 167,000 independent financial advisors, which account for approximately 64.5% producing registered representatives. These financial advisors are self-employed independent contractors, rather than employees of Independent Broker-Dealers (IBD).

FSI member firms provide business support to financial advisors in addition to supervising their business practices and arranging for the execution and clearing of customer transactions. Independent financial advisors are small-business owners who typically have strong ties to their communities and know their clients personally. These financial advisors provide comprehensive and affordable financial services that help millions of individuals, families, small businesses,

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<sup>1</sup> The Financial Services Institute (FSI) is an advocacy association comprised of members from the independent financial services industry, and is the only organization advocating solely on behalf of independent financial advisors and independent financial services firms. Since 2004, through advocacy, education and public awareness, FSI has been working to create a healthier regulatory environment for these members so they can provide affordable, objective financial advice to hard-working Main Street Americans.

associations, organizations and retirement plans with financial education, planning, implementation, and investment monitoring. Due to their unique business model, FSI member firms and their affiliated financial advisors are especially well positioned to provide middle-class Americans with the financial advice, products, and services necessary to achieve their investment goals.

### **Discussion**

The Department's Proposal updates Pennsylvania's securities regulations ensuring that all references to federal laws and regulations are accurate. The Proposal specifically updates all references from the outdated National Association of Securities Dealers (NASD) to its successor organization the Financial Industry Regulatory Authority (FINRA). The Proposal makes significant effort to harmonize Pennsylvania regulations with the North American Securities Administration Association, Inc. (NASAA) model rules and the Securities and Exchange Commission (SEC) rules and regulations. The Proposal also replaces terminology made obsolete by the 2012 merger of the former Pennsylvania Securities Commission with the former Pennsylvania Department of Banking. Lastly the Proposal corrects formatting and word choice issues, deletes multiple statements of policy, reduces compliance requirements, and allows electronic format submissions and filings.

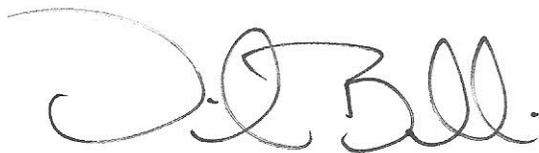
FSI commends this undertaking and believes this Proposal will increase uniformity in regulations governing financial advisors and broker-dealers among the states. FSI encourages and supports the development of uniform regulatory requirements between the states, NASAA, FINRA, and the SEC in order to promote more effective compliance by regulated entities, including FSI members.

### **Conclusion**

We are committed to constructive engagement in the regulatory process and welcome the opportunity to work with the Department on this Proposal and other important regulatory efforts.

Thank you for considering FSI's comments. Should you have any questions, please contact me at (202) 803-6061.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "D. T. Bellaire". The signature is fluid and cursive, with a large initial "D" and "T" and a stylized "Bellaire".

David T. Bellaire, Esq.  
Executive Vice President & General Counsel