

## NASAA leader to oversee advisor switch

**David Massey** seems undaunted by the mammoth responsibilities facing the nation's state regulators. The **new president of the North American Securities Administrators Association**, or NASAA, in fact, views the group's broader responsibilities under the Dodd-Frank Act as an opportunity for state and federal regulators to "leverage collective resources to protect investors."

Massey, who began his one-year term as head of the organization of state regulators on Tuesday, spoke during a luncheon honoring the group's new leadership at its fall conference in Baltimore.

"The Dodd-Frank Act will restructure relationships between regulators," said Massey, who is also **Deputy Securities Administrator of the North Carolina Securities Division**. He takes command of the group just as state regulators are preparing to oversee more than 4,000 investment advisers who are currently registered with the Securities and Exchange Commission and under that federal agency's supervision. ... NASAA lobbied hard for the responsibility, arguing that the SEC lacked resources to oversee many of these small to mid-sized advisers.

**Denise Voigt Crawford, Massey's predecessor and Texas Securities Commissioner**, was a vocal advocate on behalf of those and other provisions, such as one that could lead to a fiduciary standard for brokers who give investment advice. ... Massey now faces a year of promoting the group's positions to the SEC, which Congress has directed to deal with the many issues NASAA confronted during Crawford's tenure.

"He faces the unenviable task of shepherding us through the 67 studies and more than 200 rulemakings required by the legislation," Crawford said at the NASAA luncheon on Tuesday.

Massey, a tax lawyer with a laid-back demeanor, says he'll continue those efforts through team building.

"There's so much of what we do that can't be done by a single person. You have to form little ad-hoc partnerships," he said during an interview with Dow Jones Newswires on Tuesday. Those types of teams, he says, need strategies and plans. "But a lot of people forget to continue the implementation of the plan," says Massey.

Coordination and planning were among the themes at Nasaa's conference. State regulators who participated in a forum on Monday discussed the group's IA Switch effort, a program launched in August to help states prepare for the registration and monitoring of the new examiners who will soon be subject to their oversight.

The forum also served as an opportunity for state regulators to discuss how they're dealing with the change.

Kansas regulators, for example, sent letters this month to firms they expect will become state registered, explaining the state's securities laws and regulations.

A regulator from Michigan said the state expects to hire six new examiners. ... The SEC ... must still issue proposed rules about the process, which it expects to complete sometime between October and December, an SEC official said at the forum on Monday.

Regulators and advisers are also waiting for the SEC to develop a definition of what constitute an "effective examination program." Advisers in states without such a program must remain registered with the SEC under Dodd Frank.

"The fact that everything isn't crystal clear doesn't bother me," Massey told Dow Jones. The process, he says, gives regulators an opportunity to fine-tune their efforts. "I compare dealing with an issue to driving a car down the road, he says. "You have to constantly watch what you are doing, see if your plan is working, and if not, adjust the steering wheel."

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