

\* Provide an explanation for why you believe or do not believe that the occupational regulations overseen by your board have been effective.

The securities industry is a highly regulated industry. The existing statutory and regulatory requirements, as well as coordination with other states through the CRD/IARD System, has allowed the Department to effectively monitor the industry and remove bad actors. Broker-dealer agents are in a position of trust and have access to sensitive personal financial information about Nebraska consumers. As can be seen from the numbers provided, the limited number of license denials demonstrates a low barrier of entry into the profession. Further, the numbers of licenses revoked or given penalties is very low in comparison to the number of registrants. While most registrants are of high integrity, the existing regulatory frame work gives the Department the necessary authority to remove bad actors from taking advantage of the sensitive information and position of power they have access to.

Due to various business models and multi-state activity, it is common for registrants to be licensed in several states at the same time. Due to this situation, all 50 states, the District of Columbia, Puerto Rico, and the US Virgin Islands, FINRA, and the SEC utilize the CRD/IARD System. The CRD/IARD System allows for sharing of broker-dealer agent licensing records among the various participants. Such sharing allows the participants to keep each other informed when a registrant has violated a law or had a securities registration revoked in another jurisdiction. This multi-state mechanism allows Nebraska to protect its citizens against rogue or dishonest persons.

What is the potential harm if this occupation is no longer licensed, certified, or regulated?

Primarily, Nebraska would lose its authority to monitor the Nebraska securities industry and remove bad actors. As noted above, broker-dealer agents have access to sensitive personal financial information of Nebraska consumers and, as such, must meet certain minimum requirements related to education, knowledge, and integrity. The ability to remove bad actors from the marketplace is an important protection for Nebraska consumers.

Further, removal of this registration would have an impact on nationwide uniformity. States utilize uniform qualifying exams and forms and registrants must comply with various state laws and regulations governing their activities. State securities regulators oversee broker-dealer agent activities as part of a comprehensive regulatory framework designed to protect investor interests in securities transactions.

Most state securities regulators have securities laws and regulations based on the Uniform Securities Act of 1956 or 2002, and model rules promulgated by the North American Securities Administrators Association (NASAA), of which Nebraska is a member. Disciplinary actions and violations of one jurisdiction's securities laws and rules may be the basis for denial of a registrant in another jurisdiction.

\* Provide a comparison of whether and how other states regulate the occupation.

See above. All other states, the District of Columbia, Puerto Rico, and the US Virgin Islands have a similar broker-dealer agent registration structure as Nebraska.