



Subject: Clarification on Section 3103 of AB-39

Dear DFPI,

I am seeking clarification on Section 3103, specifically clause (15), which exempts "[a] person registered as a securities broker-dealer under federal or state securities laws to the extent of its operation as a broker-dealer." Could you confirm if this exemption also applies to registered investment advisors (RIAs) who hold the Series 65 license?

Including RIAs in this exemption would greatly benefit advisors assisting clients with digital asset investments, as it would ensure streamlined regulatory compliance. Given the fast-evolving landscape of digital financial assets, clarity around the standing of RIAs in this exemption would support advisors in aligning with state regulatory expectations while effectively managing client portfolios.

Thank you for your guidance.

Regards,

Bryan Courchesne

11.11.24