

## Galvin: States key to financial fixes

By JAY FITZGERALD

Secretary of State William Galvin has launched a pre-emptive assault against anyone who tries to clip the authority of state regulators to crack down on financial-industry shenanigans.

Galvin, whose office has tangled with dozens of Wall Street and other financial-services firms over the years, released a "white paper" yesterday that he said shows the importance of state regulators in overseeing the securities industry.

Calling state regulators a "fail-safe" backup to federal authorities, Galvin said states have shown a "demonstrated record of effectiveness" by acting as watchdogs over securities firms.

Release of Galvin's report comes as Congress moves

toward possibly reforming how the U.S. financial industry operates — and how it's overseen by regulators.

In the past, financial firms have complained there are too many regulators, including state authorities, overseeing the industry. Some in the Bush administration have suggested that the powers of state regulators be trimmed back.



**GALVIN**

But regulators in Massachusetts, New York and elsewhere balked at such plans, saying they're often in a better position than the feds to protect consumers.

"Past attempts at reforming the regulation of securities and financial industries have been marked with strong industry efforts — some successful, some not — to neuter the states," Galvin said.