



## Texas State Securities Board

# Report on Customer Service May 2020

In 2020, the Texas State Securities Board (SSB or agency) conducted its tenth biennial survey of external customers, pursuant to Section 2114.002 of the Texas Government Code.

Customers for each of the agency's four budget strategies listed in the General Appropriations Act were surveyed. Customers surveyed were those who had contact with the agency in the two-year period following the previous customer service survey.

### Law Enforcement Strategy

**Customers:** State and federal prosecutors, other state and federal law enforcement officials, receivers, members of the public, and defense attorneys representing respondents in actions brought by the agency.

**Services:** SSB investigates suspected violations of the Texas Securities Act and works with state and federal prosecutors and other law enforcement officials to ensure that appropriate enforcement actions are taken, ranging from administrative action to criminal prosecution of persons who violate the Act.

### Securities Registration Strategy

**Customers:** Securities investors, securities issuers, entrepreneurs, and small businesses who register or notice-file with the agency.

**Services:** SSB provides registration records to the public upon request, conducts extensive reviews of securities registration applications, processes notice filings, refers suspected fraudulent offerings to enforcement personnel, and provides assistance to entrepreneurs, small businesses, and others who contact the agency for assistance regarding capital formation, registration, or exemptions from registration.

## Dealer Registration Strategy

Customers: Securities dealers and agents, investment advisers, investment adviser representatives who apply to register or notice-file with the agency.

Services: SSB provides registration records to the public upon request, conducts extensive reviews of registration applications, carries out background checks on applicants, ensures compliance with examination requirements, and opposes or conditions the registration of certain applicants.

## Inspections Strategy

Customers: Securities investors, registered securities dealers, registered investment advisers, and persons making complaints to the agency concerning registered persons.

Services: The agency conducts comprehensive on-site inspections of the records of registered securities dealers and investment advisers to ensure their compliance with statutory and regulatory requirements, evaluates complaints concerning registered dealers and investment advisers, and reviews administrative and law enforcement actions taken against registered persons.

## Other customers

Customers of the Dealer Registration and Securities Registration strategies who requested public information were surveyed. Since both strategies are housed in the agency's Registration Division, it was not possible to allocate these non-registration customers to either the sample for either the Dealer or the Securities Registration strategies.

Customers of the General Counsel Division, and the Investor Education program, and subscribers of the agency's email update subscription service were also surveyed. External customers of the General Counsel Division include persons who request public information, the Legislature, other governmental agencies, and attorneys and other securities professionals who seek information and interpretive guidance on the law and regulations governing the agency's activities. Investor Education program customers include those who have received investor education information disseminated by the agency. The staff of the agency makes presentations, distributes printed materials, maintains Web-based resources, and works with educators to assist Texans in becoming informed investors.

## **Survey Form**

The survey appeared online and the persons making up the sample were either sent a postcard directing them to the website so they could take the online survey or were sent an email with that information. The postcard and email text also provided an option to the recipient to request a print copy of the form be mailed to them for completion.

The agency's strategies have interrelated functions so it is probable that persons, especially those in the securities industry, have dealt with several different divisions. For example, a registered dealer may have dealt with both the Registration and the Inspection divisions. Although their name may have been included as part of the Inspection sample, their response to the survey may have been answered by someone at the firm who dealt with the Registration Division during the same period. It is impossible to know and allocate with 100% certainty an individual response to the appropriate division.

To minimize the incidence of misallocation of responses by relying upon the strategy that provided the contact information for the participant to identify the strategy being surveyed, the survey included a description of the various strategies and divisions along with a question that asked the customer to identify a single division they had contact with during the survey period and answer the rest of the survey in regards to that contact. There was also a category of "Other" for customers who were unable to identify the division that they contacted and a category of "Website" for subscribers to the agency's email update service. The "Other" and "Website" responses are included in the overall totals for the agency but no attempt was made to try to second-guess the customer by allocating their response to a particular strategy.

The survey form included specific questions relevant to all of the seven customer service quality elements specified by statute: staff, communications, service timeliness, complaint handling processes, print publications, facilities, and Internet site. Questions were also asked to gain information as to how often, and in what ways, customers had contact with the agency. The 2020 survey included questions that did not appear in the 2018 survey regarding the agency's website and email update subscription service.

The survey asked customers to indicate their level of agreement with statements about specific service components as Strongly Agree, Agree, Neutral, Disagree, or Strongly Disagree. For statistical rating purposes, Strongly Agree was assigned the highest value of 5, progressing downward with the Strongly Disagree responses assigned a value of 1. As in previous surveys, a "Not Applicable" option was provided for each item. Additionally, two open-ended questions were included to allow customers to express their thoughts about the agency's services more fully and to make suggestions to improve services. In prior years, written comments have provided some of the most useful survey information.

Added to the survey this year were eight questions required by the *Instructions for Preparing and Submitting Agency Strategic Plans for fiscal years 2021 to 2025* issued February 5, 2020. These questions address overall impressions in the seven statutory categories and satisfaction with the agency. These eight survey questions asked customers to indicate their level of satisfaction in each category as Very Satisfied, Satisfied, Neutral, Unsatisfied, or Very Unsatisfied. For statistical rating purposes, Very Satisfied was assigned the highest value of 5, progressing downward with the Very Unsatisfied assigned a value of 1. A "Not Applicable" option was provided for each of these items.

A copy of the survey form is included as an attachment to this report.

## **Sample Selection**

Three objectives were established for the selection of agency customers who would receive the survey form: (1) a large sample, representative of SSB customers; (2) a focus on customers who had recent contact with the agency; and (3) elimination of duplicate recipients.

### Law Enforcement Strategy

For the Enforcement strategy, an initial sample size of 455 was drawn. After adjusting for duplicates, invalid or undeliverable addresses, and opt-outs, the Enforcement strategy had an effective sample size of 408. (Email addresses identified as opting out are those contacts from the agency's sample that have notified the online survey site that they do not wish to receive any of its surveys.) Recipients included state and federal prosecutors and other law enforcement officials that Enforcement staff have worked with to combat securities violations, members of the public, and receivers and defense attorneys for respondents in recent Enforcement investigations.

### Registration

As in the past, the largest number of survey forms were targeted to the agency's two largest customer groups, those in the Registration strategies.

### Securities Registration Strategy

The securities database was used to select the sample for Securities Registration. First, records of securities applications received in 2018 and 2019 were identified and the associated correspondents for these applications were identified. (Correspondents are attorneys or other professionals who handle the process of registering or notice-filing securities for securities issuers.)

Almost all of the Form D exemption filings were made through the centralized national site, the Electronic Filing Depository (EFD), rather than directly with the agency. Due to their lack of direct contact with the agency, only a small percentage (10%) of the EFD filers are included in the sample.

An unduplicated count of correspondents for the registered and covered securities offerings made directly with the agency, and a 10% sample of the correspondents filing through the EFD website (Form D and Form UIT notice filings), resulted in a sample size of 395 (151 direct filings and 244 EFD filings) for Securities Registration. After invalid addresses and returns were removed, this left an effective sample size for Securities Registration of 383.

### Dealer Registration Strategy

The sample for the Dealer Registration strategy was drawn from the active file, containing records on both securities dealers and investment advisers. Because firms are responsible for registering their agents and investment adviser representatives, the file is maintained by firm name.

On the Dealer side, all of the dealers that are registered only in Texas (121) were selected for inclusion in the sample. The remaining dealers (2,207) registered in Texas are ones also registered with FINRA and/or other states. Of this group, 10% (213) were selected for the sample. For the FINRA and multistate dealers, the surveys were directed to the CRD Contact person or, if none, to the Default Contact.

Also included in the Dealer Registration strategy are investment advisers. On the investment adviser side, all of the investment advisers that are registered in Texas (2,325) were selected for inclusion in the sample. Added to the sample were an additional 802, comprised of 10% of the investment advisers (8,456) making a notice filing in Texas. The surveys for the investment advisers were directed to the Supervision and Compliance Contact (SCC) or, if no SCC was listed, to the firm's Main Contact.

After the returned postcards and duplicate, invalid and opt-out email addresses were subtracted, this left an effective sample size of 3,288 for this strategy.

### Inspect Records Strategy

In the Inspections strategy, the survey sample was selected from the 625 registered dealers and investment advisers whose offices had been inspected by the agency and the 291 persons making complaints about registered persons in 2018 and 2019. After adjusting for duplicates, invalid addresses, and removal of anonymous complainants, the sample selected for the survey totaled 806. When the returned postcards and duplicate, invalid and opt-out email addresses were subtracted, the effective sample size was 766.

### Other Customers

An additional group (Other) selected for the sample came from three other areas not specific to one of the other surveyed strategies. One was the customers of the General Counsel Division. These customers consisted of persons receiving interpretative or no action letters and public information request responses (usually involving requests for confidential information) from the General Counsel. The General Counsel Division is also responsible for providing notice to persons who have requested notification of all rules proposed or adopted by the agency, of the Board's meeting agendas, and of updates to the agency's rulebook. These notices are provided through the email update subscription service to persons who subscribe to the notices through the agency's website. It is likely that these subscribers identified "Website" as their primary point of contact with the agency.

The second group were customers of the agency's Investor Education program and were comprised of persons who have requested speakers for community groups they represent, educators who have used Investor Education resources in their classrooms, and persons affiliated with organizations representing target populations served by Investor Education, such as AARP and senior community centers.

The third group of contacts were provided by the Registration Division and represent customers who had requested information from the Division under the Public Information Act. Since these contacts were not divided between the Securities and Dealer strategies for the Registration Division, they were not counted in the totals for either strategy.

The three groups provided an additional 2,230 contacts to the Other category. After duplicate invalid and opt-out email addresses were removed, the effective sample size was 2,160.

## Survey Process

On March 4, 2020, a total of 6,043 customers were contacted via email. On March 5, 2020, 902 postcards were mailed to agency customers for which there was no readily ascertainable email addresses, for a total of 6,945 potential responses. Recipients were asked to complete the online survey by April 1, 2020. On March 31, 2020, a reminder email was sent to the customers on the email list who had either not responded or had only partially responded to the online survey to notify them that the time to respond had been extended to April 17, 2020. All responses and forms received through April 20, 2020, were included in the data analysis.

A total of 443 responses were received out of 6,945, of which only 378 were fully completed, for an overall fully completed response rate of 5.4% – 5.1% lower than the equivalent response rate of 10.5% obtained in 2018, when 556 fully completed surveys were returned out of 5,277 potential responses. The response rate was 5.6% for those contacted by email and 4.4% for those contacted by mail.

Response rates by customer group were as follows:

Enforcement	10.5%
Securities Registration	6.0%
Dealer/Investment Adviser Registration	4.0%
Inspections and Compliance	18.1%
Other (includes Investor Education, General Counsel, Website, and Registration PIAs)	2.0%

Response rates for each customer group were calculated by dividing the number of fully completed surveys identifying a strategy by the effective sample size for that group.

Survey responses were anonymous, except in a few instances in which customers chose to include their names. The initial survey question directed the customer to identify the agency Division that they had been in contact with during the survey period, and included descriptions of the activities performed by each division.

In an effort to correlate the responses with the function that generated the response, the customer is asked to identify the nature of the contact as part of the survey itself. For responders using the click through function on the emails generated through the online survey service, it was possible to identify the originating sample list providing their email address for the survey. Of the 338 responses in this category, roughly 49.1% (166) identified the same division they interacted with as the one that generated their email address for the sample.

Responses for each survey question were tallied by strategy, or customer group, and entered into spreadsheets to facilitate analysis. Spreadsheets were also prepared totaling all survey responses by strategy and by customer service quality element. Responses from customers who selected “Other” instead of a particular division/strategy when responding to the survey were included in the overall agency figures, but no attempt was made to “second guess” the customer and allocate the response to a particular strategy.

## **Findings and Analysis**

Table 1 documents the responses to the Agency’s detailed survey questions. (The table does not include written comments suggesting how to improve services or those providing additional information.)

Table 2 contains information on the responses to the eight overall impression questions required by the *Instructions for Agency Strategic Plans*, which includes a question for overall satisfaction with the Agency.

**Table 1. Responses to Survey Questions**  
(Excludes Written Comments)

	Rating	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)	N/A
<b>1. Staff of the Texas State Securities Board</b>							
A. Staff members were accessible.	<b>4.51</b>	207 55.2%	106 28.3%	17 4.5%	2 0.5%	5 1.3%	38 10.1%
B. Staff members were courteous, professional, and respectful.	<b>4.62</b>	241 64.4%	77 20.6%	13 3.5%	0 0.0%	6 1.6%	37 9.9%
C. Staff members demonstrated a willingness to assist.	<b>4.48</b>	225 60.0%	84 22.4%	13 3.5%	6 1.6%	12 3.2%	35 9.3%
D. Staff members were knowledgeable, competent and able to answer my questions.	<b>4.47</b>	221 58.9%	84 22.4%	14 3.7%	8 2.1%	11 2.9%	37 9.9%
E. Staff members identified themselves by name.	<b>4.68</b>	247 66.4%	73 19.6%	11 3.0%	1 0.3%	2 0.5%	38 10.2%
<b>2. Communications</b>							
A. When I called, I was connected in a timely manner to a person who could assist me.	<b>4.38</b>	144 38.6%	98 26.3%	16 4.3%	6 1.6%	5 1.3%	104 27.9%
B. When I left a telephone message, a staff member responded in a reasonable time.	<b>4.41</b>	132 35.7%	76 20.5%	14 3.8%	3 0.8%	6 1.6%	139 37.6%
C. When I sent an email message, I received a timely response.	<b>4.45</b>	182 48.9%	80 21.5%	18 4.8%	7 1.9%	6 1.6%	79 21.2%
D. I received information I requested in a timely manner.	<b>4.39</b>	182 49.2%	101 27.3%	16 4.3%	7 1.9%	10 2.7%	54 14.6%
E. I was given clear explanations about agency rules and procedures.	<b>4.32</b>	180 48.5%	90 24.3%	28 7.6%	13 3.5%	8 2.2%	52 14.0%
<b>3. Timeliness</b>							
A. FOR REGISTRANTS: I was informed in a timely manner of deficiencies in my application for registration.	<b>4.30</b>	69 22.6%	53 17.3%	12 3.9%	3 1.0%	3 1.0%	166 54.3%



	Rating	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)	N/A
B. FOR REGISTRANTS: I was given a clear explanation as to how to correct any deficiencies.	4.23	67 21.8%	53 17.3%	15 4.9%	2 0.7%	5 1.6%	165 53.8%
C. FOR REGISTRANTS: I was informed in a timely manner of the decision regarding my application (grant, deny, or allow withdrawal).	4.41	78 25.6%	49 16.1%	10 3.3%	2 0.7%	2 0.7%	164 53.8%
D. FOR REGISTRANTS: My registration renewal was processed in a timely manner.	4.55	88 29.0%	46 15.1%	7 2.3%	0 0.0%	1 0.3%	162 53.3%
E. FOR REGISTRANTS: When I reported an amendment to my registration information, it was processed in a timely manner.	4.51	74 24.2%	39 12.8%	7 2.3%	1 0.3%	1 0.3%	184 60.1%
F. FOR INSPECTED FIRMS: I received written follow-up to an on-site inspection of my office in a timely manner.	4.24	84 24.1%	57 16.6%	13 3.8%	5 1.5%	7 2.0%	179 52.0%
G. FOR COMPLAINANTS: My complaint relating to a person or company subject to regulation by the Texas State Securities Board was processed in a timely manner.	3.73	21 6.8%	14 4.5%	5 1.6%	6 1.9%	6 1.9%	257 83.2%
H. I received a timely response to my request for public information.	4.26	43 14.1%	22 7.2%	8 2.6%	0 0.0%	5 1.6%	228 74.5%
<b>4. Complaints About the Agency</b>							
A. I know how to file a complaint regarding services provided by the Texas State Securities Board.	3.54	62 16.9%	87 23.8%	63 17.2%	39 10.7%	14 3.8%	101 27.6%
B. If I complained regarding services of the agency, I believe it would be addressed in a reasonable manner.	4.02	97 26.6%	102 28.0%	46 12.6%	8 2.2%	10 2.7%	102 28.0%
<b>5. Website (www.ssb.texas.gov)</b>							
A. I was able to access the information I needed using the website.	4.11	103 28.2%	115 31.5%	39 10.7%	11 3.0%	4 1.1%	93 25.5%
B. The website contained clear and accurate information on the Texas Securities Act and regulations/rules.	4.08	96 26.5%	108 29.8%	46 12.7%	12 3.3%	2 0.6%	99 27.2%
C. The website contained clear and accurate information on registration and notice filing requirements and procedures.	4.08	87 24.0%	100 27.6%	39 10.8%	9 2.5%	4 1.1%	123 34.0%

	Rating	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)	N/A
D. The website contained clear and accurate information on filing a complaint with the agency.	4.02	70 19.3%	73 20.1%	40 11.1%	10 2.8%	2 0.6%	167 46.1%
E. The website contained clear and accurate information of interest to consumers in evaluating investments and avoiding fraud.	4.09	76 20.9%	80 22.0%	38 10.5%	5 1.4%	3 0.8%	161 44.4%
F. The information on the website was relevant and useful.	4.16	100 27.5%	121 33.2%	38 10.4%	7 1.9%	2 0.6%	96 26.4%
G. The links to other websites were relevant and useful.	4.09	69 19.1%	93 25.7%	30 8.3%	7 1.9%	2 0.6%	161 44.5%
H. IF ACCESSED THROUGH A MOBILE DEVICE, it was easy to view and navigate through the website.	3.85	18 5.1%	25 7.0%	19 5.3%	3 0.8%	1 0.3%	290 81.5%
I. FOR SUBSCRIBERS TO UPDATES (news releases; investor alerts; criminal & civil case alerts; meeting agendas; rulemaking & rulebook updates), I find the information I receive helpful and/or useful.	4.21	64 18.0%	60 16.9%	22 6.2%	2 0.6%	2 0.6%	206 57.9%
<b>6. Printed investor education material</b>							
A. The printed information was clear and understandable.	4.18	52 14.4%	57 15.8%	21 5.8%	2 0.6%	1 0.3%	229 63.2%
B. The printed material provided was thorough and accurate.	4.21	53 14.8%	57 15.9%	20 5.6%	1 0.3%	1 0.3%	227 63.2%
<b>7. Facilities</b>							
A. The location of services was convenient (parking, public transportation, distance, etc.)	3.52	9 2.5%	12 3.3%	21 5.8%	2 0.6%	2 0.6%	316 87.3%
B. The facilities where I received services was clean, orderly, and I could easily find my way around in it.	3.89	13 3.6%	17 4.7%	14 3.9%	2 0.6%	0 0.0%	314 87.2%
C. The facility is open during reasonable hours.	4.10	20 5.6%	24 6.7%	14 3.9%	0 0.0%	0 0.0%	300 83.8%

**Table 2. Responses to Required Questions**

	Rating	Very Satisfied (5)	Satisfied (4)	Neutral (3)	Unsatisfied (2)	Very Unsatisfied (1)	N/A
<b>Overall impressions.</b>							
How satisfied are you with the Agency's facilities, including your ability to access the agency, the office location, signs, and cleanliness?	<b>3.41</b>	84 26.2%	64 19.9%	121 39.7%	4 1.3%	48 15.0%	
How satisfied are you with Agency staff, including employee courtesy, friendliness, and knowledgeability, and whether staff members adequately identify themselves to customers by name, including the use of name plates or tags for accountability?	<b>4.25</b>	199 56.7%	80 22.8%	51 14.5%	4 1.1%	17 4.8%	
How satisfied are you with Agency communications, including toll-free telephone access, the average time you spent on hold, call transfers, access to a live person, letters, electronic mail, and any applicable text messaging or mobile applications?	<b>4.14</b>	166 46.9%	111 31.4%	55 15.5%	6 1.7%	16 4.5%	
How satisfied are you with the Agency's Internet site, including the ease of use of the site, mobile access to the site, information on the location of the site and the Agency, and information accessible through the site such as a listing of services and programs and whom to contact for further information or to complain?	<b>3.89</b>	123 35.9%	109 31.8%	80 23.3%	12 3.5%	19 5.5%	
How satisfied are you with the Agency's complaint handling process, including whether it is easy to file a complaint and whether responses are timely?	<b>3.10</b>	73 22.9%	48 15.1%	115 36.1%	5 1.6%	78 24.5%	
How satisfied are you with the Agency's ability to timely serve you, including the amount of time you wait for service in person?	<b>3.83</b>	136 40.6%	85 25.4%	72 21.5%	4 1.2%	38 11.3%	
How satisfied are you with any Agency brochures or other printed information, including the accuracy of that information?	<b>3.42</b>	99 29.7%	70 21.0%	98 29.4%	3 0.9%	63 18.9%	
Please rate your overall satisfaction with the Agency.	<b>4.24</b>	180 51.6%	110 31.5%	38 10.9%	4 1.2%	17 4.9%	

When the Table 2 response to the overall satisfaction question is analyzed by Strategies (Table 3), positive responses (i.e., Rating of 4 or 5) ranged from 88.6% for the Inspections strategy to 74.4% for the Enforcement strategy, when the N/A responses were removed.

**Table 3. Responses that Services are Satisfactory by Strategies**

	<b>Strongly Agree (5)</b>	<b>Agree (4)</b>	<b>Neutral (3)</b>	<b>Disagree (2)</b>	<b>Strongly Disagree (1)</b>
<b>Enforcement</b> (39 responses)	64.1%	10.3%	10.3%	5.1%	10.2%
<b>Securities Registration</b> (22 responses)	54.6%	31.9%	4.6%	0.0%	9.1%
<b>Dealer/Investment Adviser Registration</b> (117 responses)	53.0%	28.2%	14.5%	0.0%	4.3%
<b>Inspections &amp; Compliance</b> (131 responses)	51.2%	37.4%	6.9%	1.5%	3.1%
<b>Other</b> (no strategy specified, General Counsel, Website, and Investor Education) (40 responses)	35.0%	42.5%	17.5%	0.0%	5.0%

When the Table 1 responses were tallied by Service Elements (Table 4), with the N/A responses removed, the percentage of positive responses (Rating 4 or 5) ranged from 92.8% for the agency staff to 63.3% for facilities.

**Table 4. Responses that Services are Satisfactory by Service Elements**

	<b>Strongly Agree (5)</b>	<b>Agree (4)</b>	<b>Neutral (3)</b>	<b>Disagree (2)</b>	<b>Strongly Disagree (1)</b>
<b>Staff</b>	67.7%	25.1%	4.0%	1.0%	2.1%
<b>Communications</b>	57.4%	31.2%	6.4%	2.5%	2.5%
<b>Timeliness</b>	53.3%	33.9%	7.8%	1.9%	3.1%
<b>Complaints about the agency</b>	30.1%	35.8%	20.6%	8.9%	4.5%
<b>Website</b>	36.6%	42.0%	16.5%	3.7%	1.2%
<b>Printed material</b>	39.6%	43.0%	15.5%	1.1%	0.8%
<b>Facilities</b>	28.0%	35.3%	32.7%	2.7%	1.3%

The Staff service element, which addresses customer assessments of staff members' courtesy, knowledge, and helpfulness, has consistently received positive ratings in previous surveys. In the 2020 survey, 92.8% responding rated staff above average.

As in the past, various customers chose to write compliments regarding SSB staff or individual staff members.

The Communications and Timeliness service components are of particular importance in assessing the agency's customer services, as the questions in these two areas directly address standards documented in the agency's Compact with Texans. Survey questions concerning communications queried customers on such matters as contacting agency staff via phone or email, accessibility of staff, and whether needed information was received in a timely manner. Questions addressing timeliness focused on key steps in the agency's registration and renewal processes, inspections, complaints, interpretative requests, and public information requests.

In 2018, 84.5% of the responses regarding Communications were positive and 81.1% were positive regarding Timeliness. In the current survey, those ratings were 88.6% and 87.2%, respectively.

Review of the responses to the individual questions in these sections of the survey can provide additional insight into customers' assessments of the agency's performance in these two important areas. As in the past, members of the agency's senior staff will have the survey results at this level of detail for their areas of responsibility.

That the highest percentage of unfavorable responses were associated with the agency's Complaint procedures seems to reflect the fact that only a very small portion of the agency's customers have filed complaints about the agency or know how to file such a complaint. Despite this, the responses in this service area are not being discounted. Responses at the low end of the rating scale (1 and 2) were the highest among all service categories, totaling 13.4% for all responders. It appears that these low ratings are primarily from persons who had either filed complaints and were disappointed in the agency's response or were otherwise dissatisfied with the staff's handling of an inspection or registration matter.

The agency, through its investor education initiative and other public outreach, disseminates information on filing complaints that is accessible to the investing public. It is further committed to ensuring that complaints filed are thoroughly evaluated. Nevertheless, after investigation, complaints are often found not to be valid. Even when action is taken against the perpetrators, complainants may not be satisfied with the outcome, as they seldom recover funds lost to investment scams. Several responders commented on the inability to obtain information from the agency after a complaint was filed. However, information obtained and produced in connection with an investigation is made confidential by statute and cannot be shared with members of the public. This sometimes creates an impression that nothing is being done during the investigatory stage, which depending on the complexity of the matter, may take more than a year before a publicly available action, such as an indictment, is available for public release.

Additionally, between the period of activity covered by the survey and the date the survey sample was first contacted, the agency proposed adding a new chapter to its rules and regulations concerning the agency's complaint process. The proposal was published in the

November 15, 2019, issue of the *Texas Register*. The rules were adopted by the agency's Board and became effective February 27, 2020. The new chapter can be found at 7 Texas Administrative Code §§102.1-102.6. The new rules and associated website content have been designed to make complaint processing more transparent to the public.

Survey questions regarding the agency's website asked customers to rate the site with respect to ease-of-use and whether the posted information was helpful. Many of those responding to questions about the agency's website answered "not applicable" or skipped the questions. This indicates that many of the agency's customers have little or no experience with the website. Of those who rated the website, 78.7% of the responses were positive.

Many of the customers wrote comments in response to one or both of the open-ended questions at the end of the survey form. Customer comments were most numerous in the Inspections and Enforcement strategies. Many of these offered suggestions for improving agency services. A complete compilation of comments for each strategy will be available for consideration by the agency's senior staff.

The low response rate (5.4%) for this year's survey suggests that the survey results may not be reliable in assessing customer satisfaction. Further, the overall sample may not be considered statistically valid because of necessary differences in the ways samples were drawn for each of the strategies. The lack of responses to the survey may also be attributed to the COVID-19 pandemic. On March 13, 2020, the President declared a national emergency and Governor Abbott issued a disaster proclamation in response to the pandemic. Of the 378 complete responses, 241 were received on or prior to March 13, with the remaining 137 received after that date.

Other limitations on the data include the difficulty of surveying some customers. When members of the agency staff give presentations in the Investor Education program, they request evaluations from participants. However the agency has not yet found a satisfactory way to obtain customer evaluations for this survey from the participants since the contact information maintained by the Investor Education program is for the event organizer or sponsor, rather than of the individuals attending the program.

Perhaps the greatest limitation on the data is the unknown accuracy of customers' recall of their contacts with the agency. This could be an issue for customers who have infrequent contacts with the agency or who deal with securities regulators in multiple states. Finally, though care was taken in developing the 2020 survey form to word questions as clearly as possible, different customers will interpret questions differently. This could be seen in something as simple as a customer who, when commenting on their interaction with one division, praised personnel they interacted with in another division or commented on activities within the exclusive purview of a different division.

Despite these limitations, the survey affords the agency a good means of periodically assessing satisfaction with the agency's services and receiving suggestions for improving services, as reported by its primary customers.

In contemplating further improvement in the survey process in future years, alternate approaches to surveying some customer groups should be considered. To more accurately obtain information from customers who interact with the agency infrequently, a method to measure satisfaction at the time of service may be appropriate. Thought will also be given to alternative means of assessing customer service, such as providing an evaluation form to customers at the time of service or a permanent online comment option on the agency's website.

## **Customer-Related Performance Measures**

### Outcome Measures

- Percentage of Surveyed Customers Expressing Overall Satisfaction with Services Rendered 83.1%
- Percentage of Surveyed Customers Identifying Ways to Improve Service Delivery 11.9%

### Output Measures

- Number of Customers Surveyed 6,945 survey forms sent; 378 fully completed (5.4% response rate)
- Number of Customers Served Total customer count includes registrants, Texas investors, and businesses which rely on a free and competitive securities market to raise capital

### Efficiency Measures

- Cost Per Customer Surveyed \$2.18 per survey sent out  
\$40.04 per fully-completed survey
- Costs include:
  - Postage (for survey mailout) - \$255.69 (\$0.27 x 947)
  - FINRA ad hoc report of Texas dealer firms - \$240
  - FINRA ad hoc report of Texas investment adviser filings - \$360
  - Online survey site subscription fee - \$300
  - Staff time (survey preparation and mailout, data compilation and analysis, report writing) - \$13,979.43

**Thank you for taking this brief survey about the Texas State Securities Board. It contains 13 questions and should take less than 10 minutes to complete. Your responses will help us serve you better.**

**Please identify the Division within the Agency that you contacted between September 2017 and August 2019. You may choose only one for this survey so if you have had contact with multiple Divisions please choose the one you have dealt with the most often.**

**Not all questions will be applicable to all persons. Please skip or answer "N/A" if a question does not apply to your interaction with the Texas Securities Board.**

**If you provide a response of "Disagree" or "Strongly Disagree," please consider providing written feedback in the Comments section explaining why. Your comments are critical to helping us improve service.**

\* 1. My responses are based on my contact with: (Please choose only one.)

- SECURITIES REGISTRATION - reviews applications for registration of securities and notice filings for securities offerings; assists persons regarding financing alternatives and exemptions from registration; provides information on securities filings.
- DEALER/AGENT REGISTRATION - reviews applications for dealers and agents; assists with the registration process; provides information on registered firms and agents.
- INVESTMENT ADVISER/REPRESENTATIVE REGISTRATION - reviews applications and notice filings for investment advisers and their representatives; assists with the filing process; provides information on registered and notice-filed advisory firms and adviser representatives.
- INSPECTIONS AND COMPLIANCE - conducts inspections of records of REGISTERED securities dealers and investment advisers; investigates complaints against REGISTERED dealers and advisers; brings administrative proceedings against REGISTERED dealers and their agents or investment advisers and their representatives.
- ENFORCEMENT - works with local, state and federal prosecutors and other regulatory offices and law enforcement agencies; investigates suspected UNREGISTERED activities and fraudulent sales of UNREGISTERED securities and pursues appropriate administrative, civil or criminal actions.
- INVESTOR EDUCATION - informs and educates Texans about the basics of investing in securities, with a special emphasis placed on the prevention and detection of securities fraud; provides free publications on the basics of investing in securities and avoiding investment fraud and provides speakers to Texas groups and events.
- GENERAL COUNSEL - answers legal questions about the Texas Securities Act and Board Rules; publishes the Texas Securities Act and Board Regulations; responds to Public Information Act inquiries involving confidential information.
- WEBSITE - subscription service for news releases, rulemaking, board meetings, and other Agency actions; inquiries submitted through the "Contact us" link; information for the regulated industry and investors or about the Agency and the programs it administers; electronic versions of the Texas Securities Act and Board rules.
- OTHER (please specify)



\* 2. I am a:

- Member of the public.
- Investor seeking information or making a complaint.
- Member of the regulated industry (dealer, agent, investment adviser, investment adviser representative) or a person acting on behalf of a industry member.
- Business seeking to raise capital.
- Prosecutor, law enforcement, or other regulator.
- Legal counsel
- Consultant
- Other (please specify)

\* 3. How many times have you had contact with the Texas State Securities Board during the period September 2017 through August 2019?

- None
- Once
- 2-5
- 6-20
- more than 20

\* 4. What type of contact did you have? (Mark all that apply.)

- In person
- Telephone
- Mail
- Email
- Internet

## 5. Staff of the Texas State Securities Board

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	N/A
A. Staff members were accessible.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Staff members were courteous, professional, and respectful.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Staff members demonstrated a willingness to assist.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Staff members were knowledgeable, competent and able to answer my questions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Staff members identified themselves by name.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you want to provide additional information about your experience with our staff or suggest improvements, please do so here. If you responded "Disagree" or "Strongly Disagree," please consider providing written feedback to explain why. Your comments are critical to helping us improve service.

## 6. Communications

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	N/A
A. When I called, I was connected in a timely manner to a person who could assist me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. When I left a telephone message, a staff member responded in a reasonable time.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. When I sent an email message, I received a timely response.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. I received information I requested in a timely manner.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. I was given clear explanations about agency rules and procedures.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you want to provide additional information about your experience with our staff or suggest improvements, please do so here. If you responded "Disagree" or "Strongly Disagree," please consider providing written feedback to explain why. Your comments are critical to helping us improve service.

## 7. Timeliness

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	N/A
A. FOR REGISTRANTS: I was informed in a timely manner of deficiencies in my application for registration.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. FOR REGISTRANTS: I was given a clear explanation as to how to correct any deficiencies.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. FOR REGISTRANTS: I was informed in a timely manner of the decision regarding my application (grant, deny, or allow withdrawal).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. FOR REGISTRANTS: My registration renewal was processed in a timely manner.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. FOR REGISTRANTS: When I reported an amendment to my registration information, it was processed in a timely manner.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. FOR INSPECTED FIRMS: I received a written follow-up to an on-site inspection of my office in a timely manner.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. FOR COMPLAINANTS: My complaint relating to a person or company subject to regulation by the Texas State Securities Board was processed in a timely manner.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. I received a timely response to my request for public information.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you want to provide additional information about your experience with our staff or suggest improvements, please do so here. If you responded "Disagree" or "Strongly Disagree," please consider providing written feedback to explain why. Your comments are critical to helping us improve service.

## 8. Complaints about the Agency

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	N/A
A. I know how to file a complaint regarding services provided by the Texas State Securities Board.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. If I complained regarding services of the agency, I believe it would be addressed in a reasonable manner.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you want to provide additional information about your experience with our staff or suggest improvements, please do so here. If you responded "Disagree" or "Strongly Disagree," please consider providing written feedback to explain why. Your comments are critical to helping us improve service.

9. Website (www.ssb.texas.gov)

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	N/A
A. I was able to access the information I needed using the website.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. The website contained clear and accurate information on the Texas Securities Act and regulations/rules.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. The website contained clear and accurate information on registration and notice filing requirements and procedures.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. The website contained clear and accurate information on filing a complaint with the Agency.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. The website contained clear and accurate information of interest to consumers in evaluating investments and avoiding fraud.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. The information on the website was relevant and useful.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. The links to other websites were relevant and useful.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. IF ACCESSED THROUGH A MOBILE DEVICE, it was easy to view and navigate through the website.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. FOR SUBSCRIBERS TO UPDATES (news releases; investor alerts; criminal and civil case alerts; meeting agendas; rulemaking & rulebook updates), I find the information I receive helpful and/or useful.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you want to provide additional information about your experience with our staff or suggest improvements, please do so here. If you responded "Disagree" or "Strongly Disagree," please consider providing written feedback to explain why. Your comments are critical to helping us improve service.

10. Printed investor education material

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	N/A
A. The printed information was clear and understandable.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. The printed material provided was thorough and accurate.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you want to provide additional information about your experience with our staff or suggest improvements, please do so here. If you responded "Disagree" or "Strongly Disagree," please consider providing written feedback to explain why. Your comments are critical to helping us improve service.

## 11. Facilities

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	N/A
A. The location of services was convenient (parking, public transportation, distance, etc.).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. The facilities where I received services was clean, orderly, and I could easily find my way around in it.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. The facility is open during reasonable hours.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you want to provide additional information about your experience with our staff or suggest improvements, please do so here. If you responded "Disagree" or "Strongly Disagree," please consider providing written feedback to explain why. Your comments are critical to helping us improve service.

## 12. Overall impressions.

	Very Satisfied	Satisfied	Neutral	Unsatisfied	Very Unsatisfied
How satisfied are you with the Agency's facilities, including your ability to access the agency, the office location, signs, and cleanliness?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How satisfied are you with Agency staff, including employee courtesy, friendliness, and knowledgeability, and whether staff members adequately identify themselves to customers by name, including the use of name plates or tags for accountability?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How satisfied are you with Agency communications, including toll-free telephone access, the average time you spent on hold, call transfers, access to a live person, letters, electronic mail, and any applicable text messaging or mobile applications?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How satisfied are you with the Agency's Internet site, including the ease of use of the site, mobile access to the site, information on the location of the site and the Agency, and information accessible through the site such as a listing of services and programs and whom to contact for further information or to complain?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How satisfied are you with the Agency's complaint handling process, including whether it is easy to file a complaint and whether responses are timely?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How satisfied are you with the Agency's ability to timely serve you, including the amount of time you wait for service in person?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How satisfied are you with any Agency brochures or other printed information, including the accuracy of that information?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Please rate your overall satisfaction with the Agency.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

13. If you have other suggestions that would help to improve your experience with the Texas State Securities Board, please explain.