



NASAA

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.

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April 15, 2002

The Honorable Patrick J. Leahy
Chairman
Senate Judiciary Committee
SD-224
Washington, D. C. 20510

Dear Mr. Chairman:

The North American Securities Administrators Association, Inc., (NASAA), organized in 1919, is the oldest international organization devoted to investor protection. Its membership consists of the securities administrators in the 50 states, the District of Columbia, Canada, Mexico and Puerto Rico. NASAA is the voice of securities agencies responsible for grass-roots investor protection and efficient capital formation.

NASAA members collectively bring thousands of enforcement actions against violators of securities laws in an effort to protect investors from fraud and abuse in connection with the offer and sale of securities.

State securities regulators support S. 2010, the Corporate and Criminal Fraud and Accountability Act of 2002, and urge its passage. Our focus is on Section 4, which would prevent the discharge of certain debts in bankruptcy proceedings. At the present time, the bankruptcy code enables defendants who are guilty of fraud and other securities violations to thwart enforcement of the judgments and other awards that are issued in these cases.

We wholeheartedly support Section 4, as introduced, because it strengthens the ability of regulators and individual investors to prevent the discharge of certain debts and hold defendants financially responsible for violations of securities laws. This issue is of great interest to state securities regulators, and we commend you for addressing it in the proposed legislation.

NASAA and its members are prepared to work with you as the legislative process continues. We support your effort to enhance the ability of state and federal regulators to help defrauded investors recoup their losses and to hold accountable those who perpetuate securities fraud.

Sincerely,

Joseph P. Borg
NASAA President
Director of Alabama Securities Commission