



NASAA

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.

750 First Street N.E., Suite 1140

Washington, D.C. 20002

202/737-0900

Fax: 202/783-3571

www.nasaa.org

September 9, 2004

The Honorable Max Burns
512 Cannon House Office Building
Washington, DC 20515

Dear Congressman Burns:

On behalf of the North American Securities Administrators Association (NASAA)¹, we are writing to support your efforts to protect our military personnel from the unscrupulous sale of financial services products on military bases. We share a common mission to serve and protect investors in our states and, like you, we are concerned about potential abuses of our military personnel through the fraudulent sale of periodic payment plans. We look forward to working with you to strengthen the "Military Personnel Financial Services Protection Act" as it moves through the legislative process.

Our member agencies, including the Georgia Office of the Secretary of State, which regulates securities, are responsible for licensing firms and investment professionals, registering some securities offerings, examining broker-dealers and investment advisers, providing investor education, and most importantly, enforcing our state's securities laws. We believe that state securities regulation has become increasingly important as growing numbers of Americans, including our men and women in uniform, rely on the securities markets to prepare for their financial futures, such as buying a home, sending their children to college and ensuring a secure and dignified retirement.

NASAA has had a longstanding interest in the appropriate regulation of periodic payment plans. In 1992, the NASAA membership adopted "Guidelines for Registration of Periodic Payment Plans" that included suitability standards for the purchasing investor, limitations on brokers' sales charges and commissions, and additional disclosures for investors. Unfortunately, the authority of state securities regulators to register periodic payment plans (contractual plans) was preempted when the National Securities Markets Improvement Act of 1996 (NSMIA) was enacted into law, and our ability to provide regulatory protection on the "front-end" of the sale was lost.

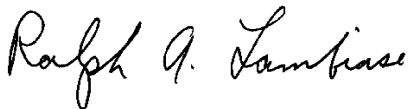
NASAA and its members also have a long tradition of protecting investors through financial education helping to give Americans of all ages, including our military personnel, the ability to recognize and avoid investment exploitation and develop sound money management habits.

¹ The oldest international organization devoted to investor protection, the North American Securities Administrators Association, Inc., was organized in 1919. 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.

As an example of our commitment to financial literacy, NASAA and the Office of the Deputy Under Secretary of Defense (Military Community and Family Policy) entered into a Memorandum of Understanding (MOU) to establish an investor education partnership. The agreement allows, under conditions outlined in this MOU, major military installations throughout the Department of Defense (DoD) to use the programs and materials of NASAA as part of the DoD campaign to improve the financial literacy of Service members and their families. In your own state, the Georgia Secretary of State will be hosting a financial literacy seminar, part of its "Money Counts" series, on the Ft. Stewart military base. The event is scheduled for Wednesday, September 22 from 5:30 to 8:00 p.m. at Club Stewart.

We commend you for your continued efforts to draw attention to the importance of protecting America's military personnel and all investors from questionable insurance and securities products. Please contact Tanya Solov, Chair of NASAA's Broker-Dealer Section and the Illinois Director of Securities, or Deborah House in NASAA's corporate office if we may be of further assistance to you. We look forward to working with you and your office on this and other financial services issues.

Sincerely,



Ralph A. Lambiase
NASAA President
Connecticut Director of Securities



Franklin L. Widmann
NASAA President-elect
Chief, New Jersey Securities Bureau