



NASAA

10 G Street N.E., Suite 710
Washington, DC 20002
202/737-0900
Telecopier: 202/783-3571
E-mail: info@nasaa.org
Web Address: <http://www.nasaa.org>

November 15, 2001

The Honorable Susan M. Collins
U.S. Senate
SR-172
Washington, DC 20510

Dear Senator Collins:

On behalf of the membership of North American Securities Administrators Association, Inc. (NASAA)¹, I commend you for recognizing and confronting the problem of fraud in the microcap securities market. We appreciate your efforts to protect the investing public from frauds in low-priced securities, and for your plans to introduce legislation to enhance enforcement efforts in this area.

As you know, several years ago, state securities administrators recognized the problem of fraud in the microcap market. Since then the states have led enforcement efforts and filed numerous actions against microcap firms. There are systematic problems in this area, but they can be addressed effectively if state and federal regulators and policymakers work together on meaningful solutions.

NASAA wholeheartedly supports the intent of The Microcap Fraud Prevention Act of 2001. It would be an important step in combating abuses in the microcap market and maintaining continued public confidence in our markets.

We applaud your leadership in the fight against microcap fraud, and I pledge the support of NASAA's membership to continue to work with you to secure passage of this important legislation.

Sincerely,



Joseph P. Borg
Alabama Securities Director
NASAA President

¹ The oldest international organization devoted to investor protection, NASAA's membership consists of the securities administrators in the 50 states, the District of Columbia, Canada, Mexico and Puerto Rico.