



NASAA

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**NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.**

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March 9, 2011

The Honorable Tim Johnson  
Chairman  
Committee on Banking, Housing, and  
Urban Affairs  
Washington, DC 20510

The Honorable Richard Shelby  
Ranking Member  
Committee on Banking, Housing, and  
Urban Affairs  
Washington, DC 20515

RE: SEC Budget

Dear Chairman Johnson and Ranking Member Shelby:

On behalf of the North American Securities Administrators Association (NASAA),<sup>1</sup> I want to express our support of adequate funding for the Securities and Exchange Commission (SEC) to fully implement its responsibilities mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

Securities regulation is a complementary regime of both state and federal securities laws, and we work closely with our national counterparts to uncover and prosecute violators of those laws. Traditionally, state securities regulators have pursued the perpetrators at the local level who are trying to defraud the “mom and pop” investors in your states. That allows the SEC to focus on the larger, more complex national market manipulation type cases.

While the SEC has been criticized for its past lax enforcement and for not pursuing the Madoff Ponzi scheme earlier, under the leadership of Chairman Mary Schapiro<sup>2</sup> the agency has a renewed determination to return to our joint mission of protecting the public from investment fraud.

We urge Congress to provide the SEC with the resources they need to enhance their technology and take on the examination of investment advisers, hedge funds advisers and credit rating

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<sup>1</sup> The oldest international organization devoted to investor protection, the North American Securities Administrators, Inc. was organized in 1919. Its membership consists of the securities administrators in the 50 states, the District of Columbia, Canada, Mexico, Puerto Rico and the U.S. Virgin Islands. NASAA is the voice of securities agencies responsible for grass-roots investor protection and efficient capital formation.

<sup>2</sup> Chairman Schapiro previously served as a Commissioner of the SEC from December 1988 to October 1994. She was appointed by President Ronald Reagan in 1988; reappointed by President George H.W. Bush in 1989; named Acting Chairman by President Bill Clinton in 1993; and appointed Chairman of the CFTC by President Clinton in 1994, where she served until 1996.

agencies, which is required under the Dodd-Frank Act. As Chairman Schapiro stated, “the 2012 funding is entirely offset by transactions fees such that the SEC budget will not add to the deficit.”

Thank you for your thoughtful consideration of this matter, which is vital to restoring investor confidence and integrity to the marketplace. Please don't hesitate to contact me or NASAA's Director of Policy, Deborah House, if we can be of assistance to you.

Yours,

A handwritten signature in cursive script that reads "David S. Massey". The signature is fluid and includes a long, sweeping underline that extends to the left and then curves back under the name.

David S. Massey  
North Carolina Deputy Securities Administrator  
NASAA President