



NASAA

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.

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May 17, 2010

The Honorable Christopher Dodd
Chairman
Senate Committee on Banking, Housing, and Urban Affairs
Washington, DC 20510

RE: Support for Bond, Warner, Brown, Cantwell Amendment #4037

Dear Chairman Dodd:

On behalf of the North American Securities Administrators Association (NASAA),¹ I would like to express our support of your efforts to prevent persons who violate the law from conducting securities offerings under Regulation D, a regulatory exemption for private securities transactions. This change would provide much needed investor protection from securities law violators and would not hamper legitimate issuers, including small businesses, who use Regulation D, Rule 506 to raise capital.

NASAA also supports your efforts to strengthen the “accredited investor” standards. As established under SEC rules, the current “accredited investor” definition is satisfied if a natural person has an individual net worth, or joint net worth with their spouse, of \$1,000,000, or if that person has an individual income of \$200,000, or joint income with their spouse of \$300,000. This definition hasn’t been updated since it was established in 1982 and inflation has severely weakened it. We support, at a minimum, excluding the investor’s primary residence from the \$1 million net worth standard. In addition, we strongly encourage the SEC to use the authority in this amendment to review the “accredited investor” standard in the context of modern economic realities and to make the necessary adjustments to insure that investors are better protected.

Protecting investors from repeated securities law violators was one of NASAA’s “Core Principles for Regulatory Reform, and we strongly support passage of this amendment.

Sincerely,

Denise Voigt Crawford
Texas Securities Commissioner
NASAA President

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, the U.S. Virgin Islands, Canada, Mexico, and Puerto Rico. NASAA is the voice of the securities agencies responsible for grass-roots investor protection and efficient capital information.