



NASAA

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.

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June 16, 2011

The Honorable Jo Ann Emerson
Chairwoman
Financial Services and General
Government Subcommittee
Washington, DC 20515

The Honorable Jose Serrano
Ranking Member
Financial Services and General
Government Subcommittee
Washington, DC 20515

RE: SEC Budget

Dear Chairwoman Emerson and Ranking Member Serrano:

On behalf of the North American Securities Administrators Association (NASAA),¹ I want to express our support for funding the Securities and Exchange Commission (SEC) at the level requested by the Administration so that the agency can 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 fraudulent activities that impact the securities market at a national level.

We are aware that the SEC has been criticized in the past for its handling of the Madoff Ponzi scheme. However, we have seen a renewed determination at the SEC under the leadership of Mary Schapiro² to return to the joint mission, involving a state-federal partnership, of protecting the public from investment fraud.

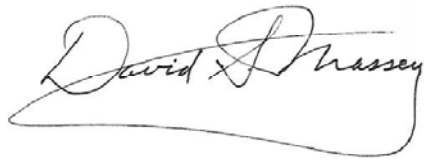
¹ The oldest international organization devoted to investor protection, the North American Securities Administrators, Inc. was organized in 1919. Its membership consists of the securities administrators in the 50 states, the District of Columbia, Canada, Mexico, Puerto Rico and the U.S. Virgin Islands.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

² 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.

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 fund advisers and credit rating 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 do not hesitate to contact me or NASAA’s Executive Director, Russ Iuculano, if we can be of assistance to you.

Yours,

A handwritten signature in cursive script that reads "David S. Massey". The signature is written in black ink and is positioned above the typed name.

David S. Massey
North Carolina Deputy Securities Administrator
NASAA President