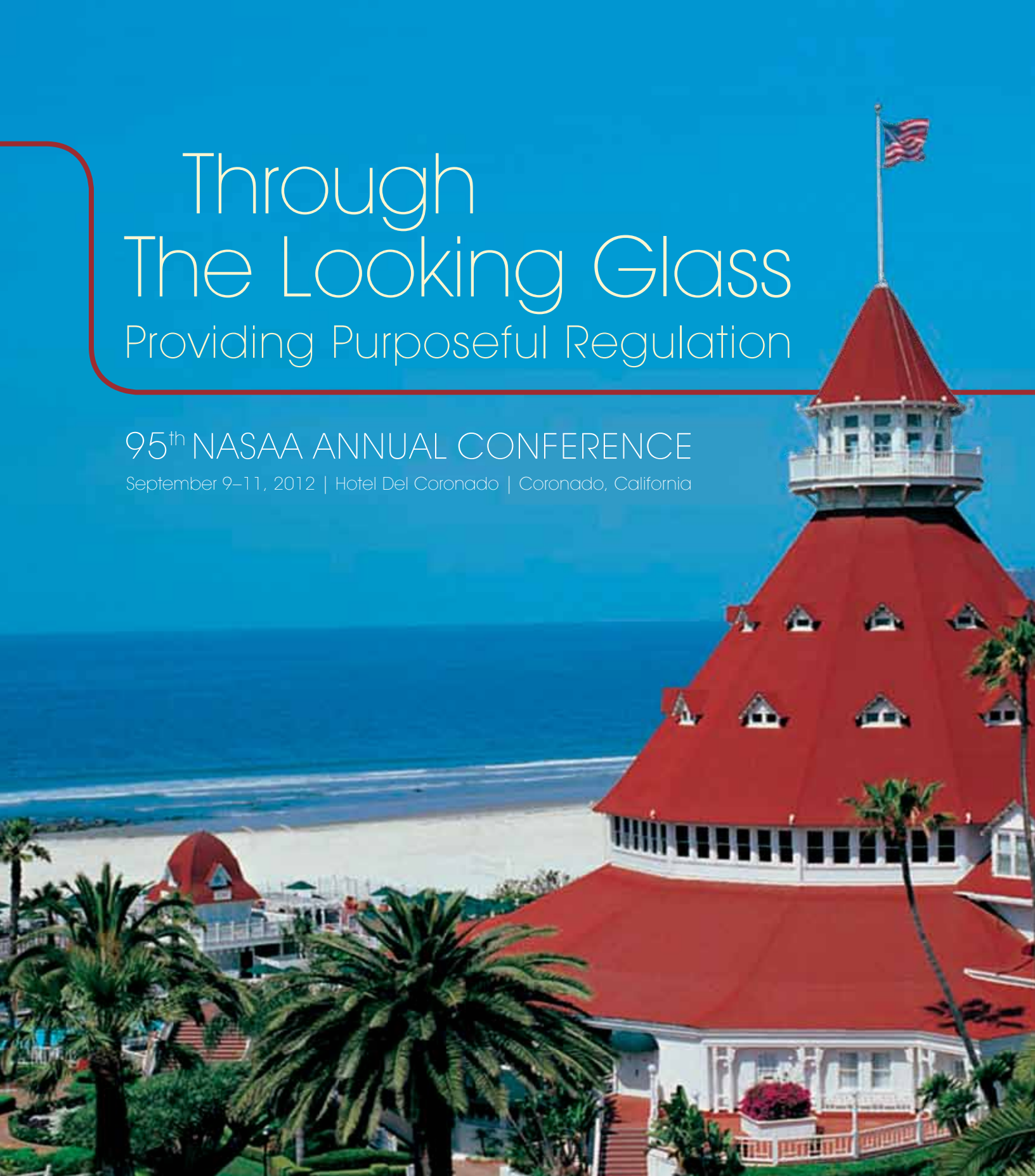


# Through The Looking Glass

Providing Purposeful Regulation

95<sup>th</sup> NASAA ANNUAL CONFERENCE

September 9-11, 2012 | Hotel Del Coronado | Coronado, California



NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.



From the Conference Chair

## Dear Conference Attendees:

Thank you for joining us in Coronado, California, the Crown City, for the North American Securities Administrators Association's 95<sup>th</sup> Annual Conference.

The focus of our three-day conference is innovation, investor protection and the road to economic recovery. Our three panel discussions — Occupy Regulation, The Future Course of Capital Formation, and Politics & Policy: What the Election Means for Main Street and Wall Street — will sharpen this focus from different angles.

Each panel will bring together experts to provide you with useful insights that can be beneficial as you address the opportunities and challenges that lie ahead. This year's conference also includes open forum discussions with NASAA Section Committees on important issues related to broker-dealers, investment advisers, corporation finance, enforcement, Web CRD/IARD, and investor education.

In addition to attending the conference, I also encourage you to soak in the rich history and culture of Coronado Island and nearby San Diego, California's second largest city and the eighth largest in the United States. A world of adventure awaits, from the Gaslamp Quarter across the bay in the historic heart of San Diego to the shimmering sands along Coronado's Silver Strand.

I look forward to seeing you in Coronado!

Irving L. Faught  
*Oklahoma Securities Commission*  
*2012 Annual Conference Chair*

## From the NASAA President

# Dear NASAA Members and Guests:

Welcome, and thank you for joining us in Coronado for the 95<sup>th</sup> Annual Conference of the North American Securities Administrators Association.

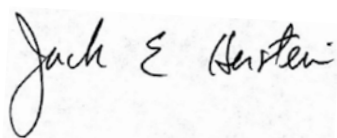
Our conference this year focuses on how to make the most of the regulatory changes facing all of us in the wake of new and long anticipated financial regulation and the upcoming presidential election.

I thank Conference Chair Irving Faught for developing an outstanding lineup of speakers and presentations to familiarize us with the changing landscape facing investors, regulators, and the financial services industry. I also want to thank my colleagues for your support and advice during the past year, including the members of NASAA's Board of Directors, our Section chairs, all who led or served on project groups, and the Corporate Office staff.

This past year was one of accomplishment for NASAA members who have worked diligently to ensure a smooth switch from federal to state regulation for investment advisers with assets under management of less than \$100 million. This year was not, however, without its challenges, especially from those who sought to weaken and attack the regulatory authority of NASAA members. Throughout it all, NASAA members continued to serve as the voice for Main Street investors and their protection.

I would like to close with a word of appreciation to all NASAA members throughout North America for your work in advancing NASAA's mission of protecting investors. I've been in public service for three-plus decades now. Each day I appreciate the opportunity my career choice has given me to make a difference and to help people in need. I'm sure you know what I mean, or you would not be here. You are doing great work and I want you to know that your efforts are greatly appreciated. Thank you for your dedication, and I hope you enjoy the conference.

Sincerely,



Jack E. Herstein

*NASAA President and Assistant Director of the*

*Nebraska Department of Banking & Finance, Bureau of Securities*



# “Through the Looking Glass: Providing Purposeful Regulation”

## Annual Conference Agenda

\*Meetings designated as “closed” are for NASAA members ONLY!

### Saturday, September 8

9:00 a.m. – 5:00 p.m. \*(closed)

Windsor Complex, Victorian Building

#### NASAA Board of Directors Meeting

12:00 p.m. – 3:00 p.m.

Conference Registration Desk, Victorian Building

#### Registration

### Sunday, September 9

7:30 a.m. – 3:00 p.m.

Conference Registration Desk, Victorian Building

#### Registration

8:00 a.m. – 8:30 a.m. \*(closed)

Continental Room, Victorian Building

#### NASAA Merit Regulation Meeting

8:00 a.m. – 10:00 a.m.

Sea Breeze Room, California Cabanas Building

#### Paralegal Roundtable

This networking and educational forum organized and sponsored by paralegals attending the conference is open to all registered participants. This year’s program will focus on state investment adviser registration and exemption issues, and an update on the EFD (Electronic Form D) state filing system project.

##### Facilitator:

Ann McGovern, Goodwin Procter LLP

##### Contributors:

Joseph Brady, NASAA Corporate Office

Carolyn Perry, DLA Piper LLP

Noula Zaharis, Gillett Mottern & Walker LLP

8:30 a.m. – 11:30 a.m. \*(closed)

Grand Ballroom, Victorian Building

#### NASAA Business Meeting

(Breakfast served at 7:30 a.m.)

10:00 a.m. – 11:30 a.m.

Sea Breeze Room, California Cabanas Building

#### ABA State Regulation of Securities Committee Meeting

11:30 a.m. – 12:45 p.m.

Windsor Lawn, Lower Victorian Building

#### Brunch

12:50 p.m. – 2:00 p.m.

Grand Ballroom, Victorian Building

#### Opening Session

#### Introductory Remarks

**Irving Faught**, Annual Conference Chair,  
Administrator, Oklahoma Securities Commission

#### Opening Remarks

**Frank Partnoy**, George E. Barrett Professor of Law and Finance / Founding Director, Center for Corporate and Securities Law, University of San Diego

#### Presidential Remarks

**Jack E. Herstein**, NASAA President,  
Assistant Director, Nebraska Bureau of Securities





2:00 p.m. – 3:30 p.m.

*Grand Ballroom, Victorian Building*

### **Panel One: Occupy Regulation**

In the more than two years since its passage, the Dodd-Frank Wall Street Reform and Consumer Protection Act has sparked an intense national discussion over the impact of regulation on investor protection and economic growth. While the debate rages, many of the key provisions of Dodd-Frank have stalled in the rulemaking process, leaving many to ask whether Washington seeks to protect the interests of Wall Street or Main Street. A panel of securities experts and reform advocates will look at the progress and impediments facing the Dodd-Frank Act at its two year anniversary focusing on the fate of the Volcker Rule, the SEC's long-awaited rule on fiduciary duty and the growing role of cost-benefit analysis in the Dodd-Frank rulemaking process.

*Moderator:*

[David Tatman](#), Oregon Division of Finance & Corporate Securities

*Panelists:*

[Kenneth Bentsen](#), Securities Industry and Financial Markets Association

[David Min](#), University of California, Irvine School of Law

[Thomas Quaadman](#), U.S. Chamber of Commerce

[Jennifer Taub](#), Vermont Law School

[Akshat Tewary](#), Occupy the SEC



3:45 p.m. – 5:00 p.m.

*Palm Room, California Cabanas Building*

### **Corporation Finance Section Forum**

The Corporation Finance Section will host an open forum to discuss recent corporate finance developments. While some time will be spent on an update of the activities of the Corporation Finance Section and associated project groups, a majority of the agenda will be dedicated to an open discussion of issues among practitioners and state regulators. Potential items for discussion include the JOBS Act and its implications for investors and current issues in applications for state registration. Please come prepared to exchange ideas and discuss issues that you find important.

3:45 p.m. – 5:00 p.m.

*Sea Breeze Room, California Cabanas Building*

### **Broker-Dealer Section Forum**

The Broker-Dealer Section will host a forum to discuss issues of common interest to the states and the regulated community. The section and project group members will provide an update of their activities over the past year and will discuss many of the priorities that the section expects to focus on in the upcoming year. Topics of discussion will include results from the broker-dealer examination sweep, and other topics related to the efforts of the section and its project groups. As in past years, the forum will include an open discussion, questions and answers, and lively interaction involving participants from NASAA, the securities industry, and the bar.

6:00 p.m. – 7:30 p.m.

*Windsor Lawn, Lower Victorian Building*

### **Welcome Reception**



## Monday, September 10

7:00 a.m. – 9:00 a.m.

*Grand Ballroom, Victorian Building*

### Continental Breakfast

7:30 a.m. – 3:00 p.m.

*Conference Registration Desk, Victorian Building*

### Registration

9:00 a.m. – 10:30 a.m.

*Grand Ballroom, Victorian Building*

### Panel Two: The Future Course of Capital Formation

With the passage of the JOBS Act, the marketplace for capital formation will undergo a number of significant changes as it expands to increase access for small businesses and investors alike. A panel of securities regulators, legal experts and crowdfunding advocates will explore the impact of the JOBS Act on capital formation and investor protection, with an emphasis on the SEC's upcoming rule on crowdfunding, the general solicitation of Rule 506 Regulation D private placement offerings, and the increased offering threshold for Regulation A registration exemptions.

*Moderator:*

[William Beatty](#), Washington Securities Division

*Panelists:*

[Rick Fleming](#), NASAA Corporate Office

[Alice Ning](#), Booz Allen Hamilton

[William Rice](#), Alberta Securities Commission

[Yoichiro "Yokum" Taku](#), Wilson Sonsini

Goodrich & Rosati

10:45 a.m. – 12:00 p.m.

*Carousel Room, Lower Victorian Building*

### Investor Education Section Forum

The Investor Education Section will host an open forum showcasing project groups and their innovative, interactive and collaborative approach to investor education. The forum will discuss new ways to reach Native American investors in North America, working with key stakeholders in protecting and educating investors, supporting investor education coordinators as they explore program delivery over new social media channels, and promoting NASAA programs to members. The section is focused on providing resources and support in ways that encourage creative delivery and effective engagement with local investors in each jurisdiction. The section members extend an open invitation to all conference attendees to participate in an engaging, exciting and interactive forum. We look forward to seeing you there!

10:45 a.m. – 12:00 p.m.

*Continental Room, Victorian Building*

### NASAA Direct Participation Programs Policy Meeting

NASAA's Corporate Finance Section and Direct Participation Programs Policy Project Group will hold an open meeting to discuss recent issues regarding direct participation programs and offer the industry a chance to provide its views concerning NASAA regulation. Topics to be discussed will include Business Development Company Guidelines, suitability, distribution sources, minimum offering requirements, non-GAAP financial measures, and the valuation of investments. Representatives of industry will have an opportunity to bring other issues of concern to NASAA members.

12:00 p.m. – 1:30 p.m.

*Crown Ballroom, Victorian Building*

### **Luncheon with Keynote Address**

**John Waggoner**, USA TODAY's Investing Columnist

1:45 p.m. – 3:15 p.m.

*Palm Room, California Cabanas Building*

### **Investment Adviser Section Forum**

The Investment Adviser Section will host an open forum to discuss the activities of the section and project groups, as well as current regulatory issues facing advisers. From the switch to state registration of over 2,000 advisers, to the treatment of advisers to private funds and proposals regarding investment adviser oversight, there has never been more to discuss! The section extends a warm invitation to all conference attendees and encourages participation and questions. We look forward to a lively discussion and exchange of ideas related to issues facing the states and the regulated community.

3:30 p.m. – 5:00 p.m.

*Sea Breeze Room, California Cabanas Building*

### **Enforcement Section Forum**

The Enforcement Section will host an open forum to discuss developments and trends in securities enforcement. Conference attendees are invited to ask questions, make comments and fully participate

during this far-ranging discussion on exotic products, sales practice abuses, unregistered securities, fraud, and supervision and suitability cases. The forum also will address the impact of regulatory reform on enforcement efforts and cooperation among regulatory authorities.

6:00 p.m. – 8:00 p.m.

*Hotel del Coronado Beach*

*Attire: Resort Casual*

### **Reception**

## Tuesday, September 11

8:00 a.m. – 12:00 p.m.

*Conference Registration Desk, Victorian Building*

### **Registration**

8:00 a.m. – 9:30 a.m.

*Coronet Room, Victorian Building*

### **Continental Breakfast**

8:30 a.m. – 10:30 a.m. \*(closed)

*Grand Ballroom, Victorian Building*

### **NASAA Business Meeting**

(Meeting breakfast served at 7:30 a.m.)







10:45 a.m. – 12:00 p.m.

*Palm Room, California Cabanas Building*

### **Joint Web CRD/IARD Forum**

In the past year, NASAA and its members applied extraordinary resources toward embracing the regulatory changes required under the Dodd-Frank Wall Street Reform and Consumer Protection Act. A panel will review the latest information on these activities, including the implementation of Form ADV amendments to accommodate both the increase in the assets under management threshold and changes to private fund adviser regulation, the use of the amended Form ADV in the IARD system to accomplish the “Switch” of investment advisers from SEC to state registration, and the establishment of filing and review procedures for state exempt reporting advisers. In addition, the panel will provide updates on IAPD and BrokerCheck enhancements implemented pursuant to near term recommendations under a Dodd-Frank study, proposed amendments to Form ADV Part 1B, routine system enhancements, and expungements. The panel also will review proposals for rule changes for which NASAA has filed comment letters and will report on other issues of interest relating to the registration of firms and individuals.

12:00 p.m. – 1:30 p.m.

*Crown Ballroom, Victorian Building*

### **Luncheon with Presidential Address**

**A. Heath Abshure**, NASAA President-Elect, Securities Commissioner, Arkansas Securities Department

1:45 p.m. – 3:30 p.m.

*Grand Ballroom, Victorian Building*

### **Panel Three: Politics and Policy: What the Election Means for Main Street and Wall Street**

In the race to the White House, financial regulation has become a hot-button issue of both the Obama and Romney campaigns. With the election just months away, political experts will explore what may be on the horizon for financial services regulators, the industry, and investors.

*Moderator:*

**Steven Irwin**, Pennsylvania Securities Commission

3:45 p.m. – 5:15 p.m.

*Sea Breeze Room, California Cabanas*

### **Ombudsman Meeting**

6:15 p.m. – 7:15 p.m.

*Garden Patio, Victorian Building*

### **President's Reception**

7:15 p.m. – 10:00 p.m.

*Crown Room, Victorian Building*

### **President's Dinner**

## **Wednesday, September 12**

9:00 a.m. – 12:00 p.m. \*(closed)

*Windsor Complex, Victorian Building*

### **NASAA Board of Directors Meeting (2012-2013)**



## CLE Credit

Continuing Legal Education (CLE) accreditation will be applied for in all jurisdictions where requested. **You must be a primary attendee with no outstanding registration fees due to receive CLE credit.** Approximately six hours of continuing legal education will be offered during the conference. Attendees will be responsible for completing a CLE Certificate that will be available at the conference registration desk. Please return the signed and completed certificate to the registration desk before your departure. Certificates also can be mailed to the NASAA Corporate Office by September 26. NASAA is not responsible for submitting CLE Certificates received after September 26.

## Social Events

The following events are open to all registered attendees and all registered guests. Name badges are required at all events.

### Sunday, September 9 | Welcome Reception

The NASAA Board of Directors will host a Welcome Reception on Sunday, September 9, at the Hotel del Coronado from 6:00 p.m. – 7:30 p.m. Attire: Business Casual.



### Monday, September 10 | Reception

Join your friends and colleagues for a relaxing evening on the beach of the Hotel del Coronado from 6:00 p.m. – 8:00 p.m. Attire: Resort Casual.

### Tuesday, September 11 | President's Reception and Dinner

The traditional dinner to honor the NASAA President is always a highlight of the conference. This year, the event will take place at the Hotel del Coronado.

Reception will begin at 6:15 p.m. Attire: Business.

Dinner will begin at 7:15 p.m. Attire: Business.

## Conference Fees

The Full Conference Package for primary attendees includes attendance at all educational sessions, meetings designated as “open,” and all social events: Sunday Welcome Reception, Monday Evening Reception, Tuesday President’s Dinner, daily continental breakfast, coffee breaks, and brunch/lunches.

## Spouse/Guest Program

Primary registrants may purchase a spouse/guest registration for anyone **not in the securities industry**. The spouse/guest registration includes attendance at all non-educational events, daily breakfasts, Sunday brunch and opening session, Sunday Welcome Reception, Monday Evening Reception, and Tuesday President’s Reception and Dinner.

## Registration Desk

Hours of operation are:

Saturday	12:00 p.m. – 3:00 p.m.
Sunday	7:30 a.m. – 3:00 p.m.
Monday	7:30 a.m. – 3:00 p.m.
Tuesday	8:00 a.m. – 12:00 p.m.

## Written Materials

Written materials may be picked up outside the ballroom prior to each panel discussion.

## Airport/Ground Transportation

The San Diego International Airport is located 9 miles from the Hotel del Coronado. We recommend using the SuperShuttle Service for ground transportation to/from the hotel. The SuperShuttle one-way fee is \$16.00 and takes approximately 45 minutes for the transfer. NASAA conference attendees will be given a discount for using the SuperShuttle. Reservations are required 24-hours in advance for transfers to and from the airport. For additional shuttle information and reservations, visit the website [www.supershuttle.com](http://www.supershuttle.com) or dial (800) 258-3826; group code: “NASAA.” Taxi fare is approximately \$27.00.

## Future Conferences

# Mark Your Calendars Now!

### 2013 Spring Conference

The Mayflower Hotel  
April 14-16, 2013  
Washington, DC

### 2013 Annual Conference

The Grand America Hotel  
October 6-8, 2013  
Salt Lake City, UT





## NASAA Board of Directors 2011-2012

**Jack E. Herstein**

President, Nebraska

**Rick Hancox**

Secretary, New Brunswick

**Melanie Senter Lubin**

Director, Maryland

**A. Heath Abshure**

President-Elect, Arkansas

**Fred J. Joseph**

Treasurer, Colorado

**Andrea Seidt**

Director, Ohio

**David S. Massey**

Past-President, North Carolina

**Steven D. Irwin**

Director, Pennsylvania

**Patricia D. Struck**

Director, Wisconsin

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## NASAA Section Chairs 2011-2012

**John R. Cronin**

Broker-Dealer, Vermont

**Matt Kitzi**

Enforcement, Missouri

**Daphne Smith**

Investor Education, Tennessee

**William Beatty**

Corporation Finance, Washington

**Linda Cena**

Investment Adviser, Michigan

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## NASAA Board of Directors 2012-2013

**A. Heath Abshure**

President, Arkansas

**Douglas Brown**

Director, Manitoba

**Melanie Senter Lubin**

Director, Maryland

**Steven D. Irwin**

President-Elect, Pennsylvania

**Fred J. Joseph**

Director, Colorado

**Chris Naylor**

Director, Indiana

**Jack E. Herstein**

Past-President, Nebraska

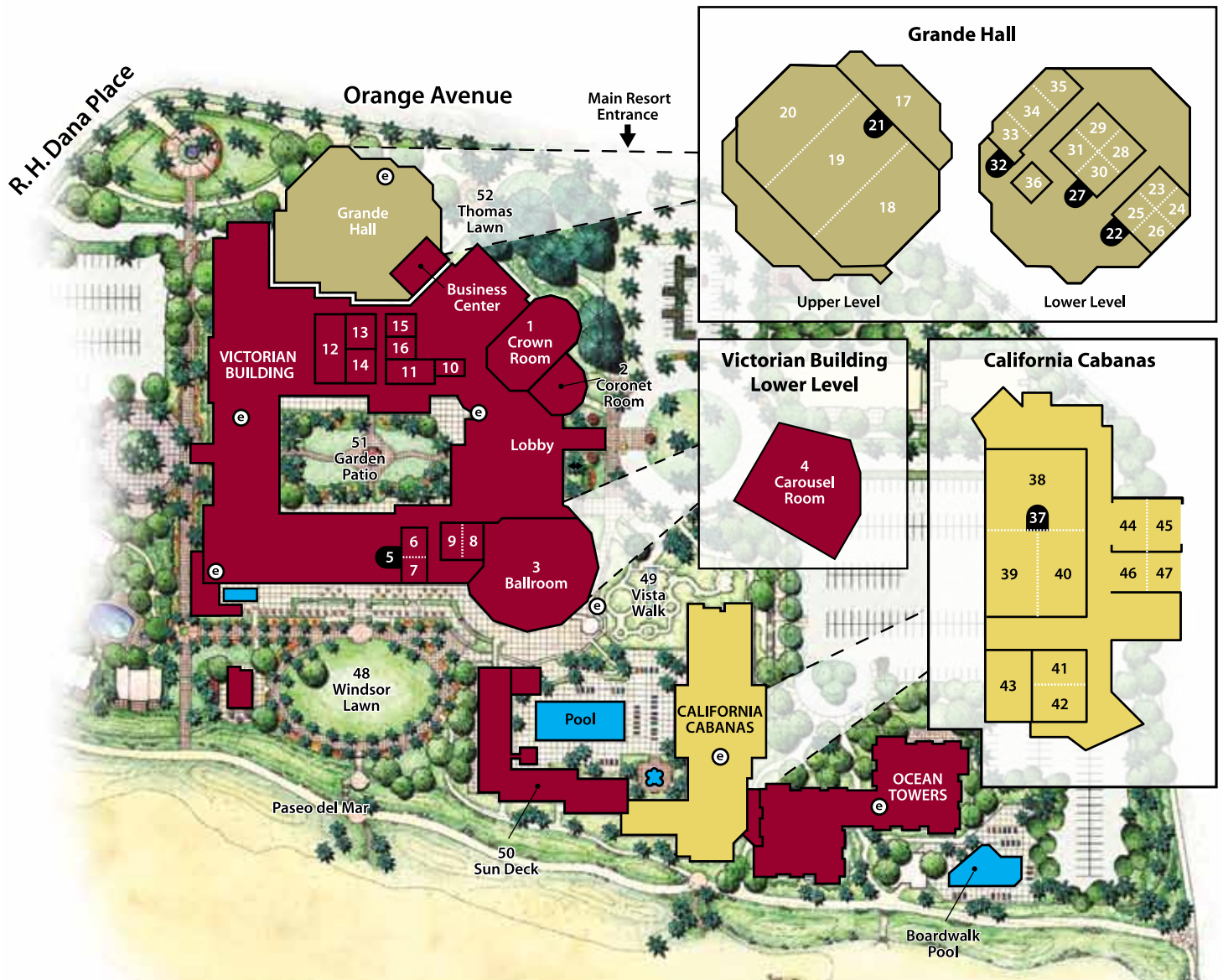
**Matt Kitzi**

Director, Missouri

**Patricia D. Struck**

Director, Wisconsin





# HOTEL DEL CORONADO

## VICTORIAN BUILDING

1. Crown
2. Coronet
3. Ballroom
4. Carousel
5. Windsor Complex
6. Windsor
7. Embassy
8. Crystal
9. Continental
10. Executive Room
11. Garden Room
12. Hanover
13. Stuart
14. Tudor
15. Kent
16. York

## GRANDE HALL

17. Grande Hall Foyer
18. Empress
19. Regent
20. Viceroy
21. Upper Grande Hall
22. Spreckels Complex
23. Spreckels Salon A
24. Spreckels Salon B
25. Spreckels Salon C
26. Spreckels Salon D
27. Wilder Complex
28. Wilder Salon E
29. Wilder Salon F
30. Wilder Salon G
31. Wilder Salon H
32. Edison Complex
33. Edison Salon I
34. Edison Salon J
35. Edison Salon K
36. Board Room

## CALIFORNIA CABANAS

37. Tropics
38. Sea Breeze
39. Palm
40. Sunset
41. Strand
42. Bayside
43. Pointe
44. Pacifica
45. Tide
46. Coastal
47. Surf

## OUTDOOR VENUES

48. Windsor Lawn
49. Vista Walk
50. Sun Deck
51. Garden Patio
52. Thomas Lawn

Elevators

