

2011

2012

NASAA Report



Welcome to the *Next Century* of Investor Protection

North American Securities Administrators Association



About NASAA

State and provincial securities regulators have been protecting investors from fraud and abusive sales practices since the passage of the first “blue sky” law in Kansas in 1911 and since 1912 in Canada when Manitoba became the first province to approve securities legislation. In the United States, state securities regulation preceded federal securities laws, including the creation of the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA), formerly the NASD.

Organized in 1919, the North American Securities Administrators Association (NASAA) is the oldest international organization devoted to investor protection. NASAA is a voluntary association with a membership consisting of securities administrators in the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Canada and Mexico.

As the preeminent organization of securities regulators, NASAA is committed to protecting investors from fraud and abuse, educating investors, supporting capital formation, and helping ensure the integrity and efficiency of financial markets.

NASAA represents and serves its members through advocacy, education, subject-matter expertise, communication and coordination. NASAA values investor protection, education, respect for diverse views, building consensus, being proactive and active participation by all members of the organization. NASAA has a long history of advocating for federal and state legislation, rulemaking and coordinated enforcement actions that advance the goal of protecting investors.

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and Past-President David Massey*

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Leadership Letter

This year marks the beginning of the second century of securities regulation in North America. From humble beginnings in the plains of Kansas and Manitoba 100 years ago, state and provincial securities regulation has evolved into a strong regulatory structure that delivers effective protection for investors and efficient regulation for industry.

Throughout our history, state and provincial securities regulators have developed a strong regulatory structure to help protect investors and promote capital formation.

A key component of that structure is our commitment to investor protection through education and strong enforcement of state and provincial securities laws. We are in the trenches every day, stepping up when and where others may be unlikely to act.

Last year alone, NASAA members conducted more than 7,000 investigations, which led to nearly 3,500 enforcement actions, \$14.1 billion ordered returned to investors and more than 1,100 years of jail time for securities law violators.

As the “go-to” resource for our citizens, we frequently are the first to identify and remedy problems facing investors. For example, our colleagues in the United States were at the forefront of regulating senior designations and free lunch seminars, as well as investigating questionable research practices and improper sales of auction rate securities.

The Dodd-Frank Wall Street Reform and Consumer Protection Act

recognized the leadership and distinguished record of NASAA members and gave state securities regulators new authority to address the challenges facing 21st century investors.

For example, by mid-2012 states will see an increase of approximately 25 percent in the number of investment advisers subject to state regulation. This presents states with a unique regulatory challenge.

Fortunately, states and NASAA have been preparing to meet this challenge for more than a year and are ready for the switch. These preparations will enable state regulators to implement intelligent, efficient and responsive regulation.

The investment adviser switch is just one of Dodd-Frank’s many meaningful and tangible reforms. But a number of key issues remain to be resolved.

For example, NASAA continues to encourage the SEC to develop a rule that applies a fiduciary standard of care and loyalty to all who provide investment advice, and to ensure that this standard is as strong as the existing fiduciary duty of the Investment Advisers Act.

We will continue our efforts to ensure that Dodd-Frank is implemented to provide strong investor protections without posing unnecessary burdens on business or impeding legitimate capital formation efforts.

The cost of compliance is a legitimate business concern. Yet when balanced against the economic consequences retail investors continue to suffer in what many economists consider to be the worst financial crisis

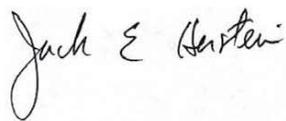
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since the Great Depression, the benefits of Dodd-Frank far outweigh even the most pessimistic price tags of reform.

As the second century of securities regulation unfolds, financial markets continue to become more sophisticated, complex and global in their reach. The changing dynamics of our financial markets will require a similar evolution in regulation.

As our regulatory structure evolves, NASAA will continue to focus on ensuring that state and provincial regulatory authority is preserved. We will continue to defend the regulatory authority of NASAA members.

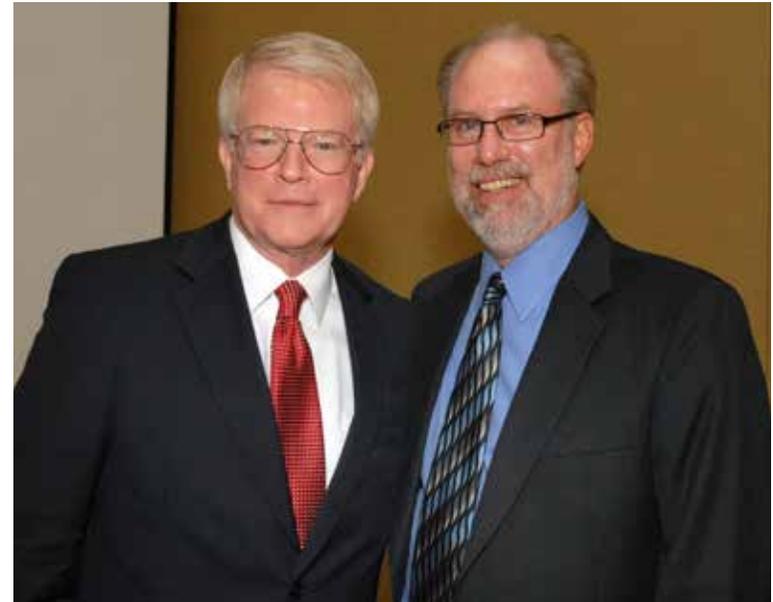
Together, we can work toward a future where a culture of responsibility is shared among regulators, industry, and investors; where regulators never neglect their duty to protect investors; where financial innovation flourishes to benefit everyone; and where the interests of investors always come first.



Jack E. Herstein
Nebraska Department of Banking &
Finance, Bureau of Securities
NASAA President
2011-2012



David S. Massey
North Carolina Deputy
Securities Administrator
NASAA President
2010-2011



David S. Massey, NASAA Past President and North Carolina Deputy Securities Administrator and Jack E. Herstein, NASAA President and Assistant Director of the Nebraska Department of Banking & Finance, Bureau of Securities.

Standing Strong for Investors

NASAA's Enforcement Report spotlights the strong investor protection role of state securities regulators.

Protecting investors through the strong enforcement of state and provincial securities laws is one of the important roles NASAA members serve in maintaining investor confidence in the capital markets of the United States and Canada.

In October 2011, NASAA's Enforcement Section, led by Missouri Securities Commissioner Matt Kitzi, reported a 51 percent increase in the number of enforcement actions by state securities regulators in 2010, which led to a

Most Reported Products Involved in Enforcement Actions (in order of frequency)

- | | |
|---|-----------------------------------|
| 1. Rule 506 Offerings | 6. Variable Annuities |
| 2. Real Estate Investments or Interests | 7. Viaticals or Life Settlements |
| 3. Oil & Gas Investments or Interests | 8. Precious Metal Commodities |
| 4. Structured Products | 9. Non-Precious Metal Commodities |
| 5. Hedge Funds or Private Equity Funds | 10. Equity Indexed Annuities |

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NASAA data from 2010

nearly 200 percent increase in the amount of money ordered returned to investors.

State securities regulators conducted 7,063 investigations in 2010, which led to 3,475 enforcement actions, up from 2,294 enforcement actions in the previous year. Enforcement actions include criminal, administrative and civil actions. Nearly 1,000 of these actions involved financial abuse of seniors.

"State securities regulators are committed to investor protection through the strong enforcement of state securities laws. We are in the trenches every day working to protect Main Street investors," said Jack E. Herstein, NASAA President and Assistant Director of the Nebraska Department of Banking &

Finance, Bureau of Securities.

State-initiated enforcement actions resulted in \$14.1 billion ordered returned to investors, with an actual reportable return of more than \$12 billion, or 90 percent of ordered restitution, in the same year. Herstein noted that much of this restitution is attributable to repurchases of auction rate securities (ARS) stemming from state-led actions.

State securities regulators also took important investor protection actions by removing or barring unscrupulous investment advisers and brokers. In 2010, more than 3,242 licenses were withdrawn, denied, revoked, suspended or conditioned due to state actions. States levied fines or penalties of \$171 million in 2010 and prison time resulting from state actions totaled 1,134 years.

The majority of the investment fraud cases reported by state securities regulators featured unregistered individuals selling unregistered securities.

Nearly 900 reported actions involved unregistered securities, and almost 800 actions involved unregistered firms or individuals. Two specific products or

investments were identified by state regulators far more than any other specific item: Rule 506 or Reg D offerings and real estate investments or interests, according to the report.

The report is based on the results of a survey of NASAA members during the spring of 2011. Forty-five U.S. NASAA members responded to the survey, a response rate of 88 percent.

Canadian Securities Enforcement Accomplishments

In February 2011, the Canadian Securities Administrators (CSA) released its 2010 Enforcement Report that outlines how Canadian securities regulators detect and disrupt misconduct in Canada's capital markets.

In 2010, the total number of cases of securities laws violations that NASAA's Canadian members concluded before courts increased by 83 percent. In these cases, courts ordered jail terms for 15 individuals, ranging from approximately three months to three years.

The report also indicates that illegal distributions of securities is the most common type of offense that Canadian securities regulators detected, investigated and prosecuted, representing 115 or 66 percent of the total cases concluded in 2010.

Illegal distribution cases can involve Ponzi schemes, affinity fraud and boiler room operations that employ both traditional and online methods of communication to entice potential investors.

Annual Reported Enforcement Actions by State Securities Regulators

Reporting Year	Total Actions	Administrative Actions	Civil Actions	Criminal Actions
2010	3,475	2,018	324	1,133
2009	2,294	1,604	306	384
2008	3,482	2,191	255	1,036

Investor Protection

Continued from page 7

Highlights of the NASAA Enforcement Report

- **7,000+** investigations were conducted by state securities regulators in the 2010 reporting period.
- **3,475** enforcement actions were reported by the states, including more than **1,100** criminal actions.
- **\$171 million** in fines or penalties were levied, and more than **\$1.4 billion** in investor restitution was ordered.
- **3,200+** licenses were withdrawn, denied, revoked, suspended or conditioned due to state action.
- **1,134** years of jail time were sentenced through the efforts of state securities regulators.
- **1/3** of the enforcement actions reported by state securities regulators involved abuse of senior citizens.

To read the full NASAA Enforcement Report, visit the NASAA website at www.nasaa.org.



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Highlights of the CSA Enforcement Report

- **64** of the concluded cases were court proceedings (up from 35 in 2009), which resulted in the courts ordering jail terms for **15** individuals ranging from approximately three months to three years.
- **178** matters commenced against a total of **301** individuals and **183** companies.
- **174** cases concluded involving a total of **207** individuals and **100** companies that resulted in:
 - > Fines and administrative penalties of more than **\$63 million**;
 - > Approximately **\$58 million** in restitution, compensation and disgorgement ordered or agreed to in a settlement;
 - > **41** interim orders restricting trading against **98** individuals and **89** companies to protect investors while securities regulators investigated allegations of capital market misconduct;
 - > **74** orders by securities regulatory authorities or courts were reciprocated thereby extending the original sanctions to other jurisdictions; and

To review the CSA's Enforcement Report report, go to the CSA website at www.securities-administrators.ca, as well as the websites of NASAA's Canadian members.

The *Next* Century

of State and Provincial Securities Regulation

At the dawn of the second century of securities regulation in North America, state and provincial securities regulators face a series of new challenges to adapt to evolving business practices and the increasing globalization of securities markets while continuing to provide strong investor protections and effective regulation.

The enactment of the Dodd-Frank Consumer Protection and Wall Street Reform Act of 2010 promised to usher in a new era of financial regulation. Many of the Act's enhanced protections, such as increasing state regulatory authority over investment advisers, are starting to take root, while others, such as extending a fiduciary duty standard of care to broker-dealers who provide personalized investment advice about securities to retail customers, continue to work their way through the regulatory process.

Dodd-Frank reforms were born in response to the financial collapse of 2008, a crisis many economists consider to be the worst since the Great Depression. However, the lingering effects of the 2008 financial crisis have prompted some

in Congress and the Administration to seek additional measures to streamline the regulatory process in an attempt to spur economic growth and job creation.

NASAA members are actively involved in a number of national and international issues that, taken together, could significantly reshape the regulatory structure and responsibilities of state, federal and provincial securities regulators.

NASAA members in the United States, for example, are working on issues ranging from investment adviser oversight to balancing the need for effective capital formation with investor protection. NASAA's Canadian members, meanwhile, are focusing on Canada's future securities regulatory framework and other areas related to the increasing globalization of securities markets.

Five Key Issues

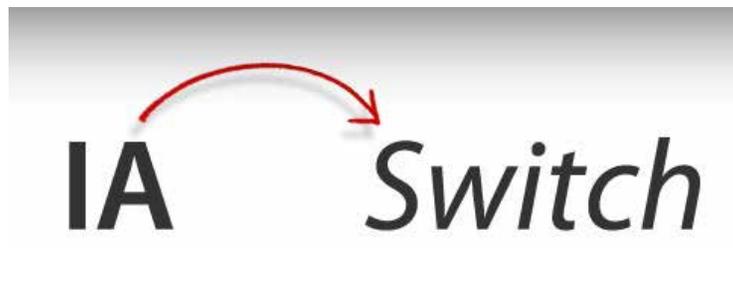
- Investment adviser "switch,"
- Self-regulation for investment advisers,
- Expanding the fiduciary duty to broker-dealers when providing investment advice about securities to retail investors,
- Enhancing the capital formation opportunities for small businesses, and
- The structure of Canadian securities regulation.

"The future is already here ..."

William F. Gibson
American-Canadian Writer

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The Switch is On



Congress and the Obama Administration recognized the proven track record of state securities

regulators by shifting regulatory responsibility for mid-sized investment advisers to state securities regulators from their federal counterpart. NASAA members are prepared to meet this challenge.

Throughout the United States, more than 400 experienced state employees are dedicated to licensing and examination, including field examiners, auditors, accountants and attorneys.

Even a highly skilled workforce cannot succeed without adequate resources. The need for additional resources is a natural consequence of increased responsibility. NASAA members are developing ways to maximize available resources. Each state has agreed to work together and share resources as needed to regulate the expanded state investment adviser population.

NASAA also launched a new NASAA initiative in November 2011 that enables regulators to review the applications of advisers required to register in four or more states in a coordinated manner as they switch from the SEC to state regulation. This initiative helps advisers by encouraging states to coordinate potential problems with applicants and avoid inconsistent deficiencies.

NASAA continues to invest in new tools that will enable states to leverage their

resources in the examination of investment advisers. For example, NASAA has developed uniform examination procedures to promote a consistent and high standard of examination at the state level and advanced risk-analysis software to allow states to rapidly review and rank their investment adviser registrants.

NASAA members also have launched an aggressive outreach campaign to meet with investment advisers who may be switching. Through a nationwide series of seminars and workshops, NASAA members are providing information and guidance to help ensure a seamless transition to state oversight.

IA Regulation in the Spotlight

Under the current regulatory landscape, the regulation of investment advisers is a shared governmental responsibility divided between the federal Securities and Exchange Commission and state securities regulators.

Now, as the next century of securities regulation unfolds, some in Congress are considering expanding that landscape by allowing the industry to regulate itself.

Section 914 of the Dodd-Frank Act directed the SEC to study various options designed to improve the agency's oversight of federally regulated investment advisers. Significantly, the SEC was not directed to study the oversight of state-regulated investment advisers.

The SEC staff's comprehensive report included recommendations to: authorize the SEC to impose user-fees on SEC-registered investment advisers to fund their examinations; authorize one or more self-regulatory organizations (SROs) to examine, subject to SEC oversight, all SEC-registered investment advisers; or authorize FINRA to examine dual broker-dealer and investment adviser registrants for compliance with the Investment Advisers Act.

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Pennsylvania Securities Commissioner Steven Irwin testifies on NASAA's opposition to the designation of an investment adviser SRO at a hearing in September 2011. Irwin, who also serves as chair of NASAA's Federal Legislation Committee, told the panel that investment adviser regulation should continue to be the responsibility of state and federal government.

NASAA vigorously opposes the creation of an SRO for state-regulated investment advisers. Moreover, NASAA has significant and longstanding concerns about any effort to establish an SRO for investment advisers. Investment adviser regulation should continue to be the responsibility of state and federal governments.

When it comes to regulation of investment advisers, government regulators bring to the table decades of experience unmatched by any entity in existence. There is little benefit in constructing a new layer of bureaucracy, with its incumbent expense.

If the goal of a 21st century regulatory structure is strengthening investor protection through improvements to the oversight of federally regulated investment advisers, then the shortest distance to that goal is to ensure that federal regulators are adequately funded and have the resources to properly oversee investment advisers for the protection of Main Street investors.

Focus on Fiduciary Duty

NASAA members routinely see the financial devastation caused when the interests of investors do not come first. That is why NASAA has consistently urged policymakers to protect investors by requiring all who provide investment advice about securities to be held to the fiduciary duty currently applicable to investment advisers under the Investment Advisers Act of 1940.

Section 913 of the Dodd-Frank Act called for the SEC to examine the obligations of broker-dealers and investment advisers. NASAA supports the recommendations of the SEC staff report to apply a fiduciary duty to broker-dealers who provide personalized investment advice about securities to retail customers. NASAA believes this will have a significant impact on investors and provide a positive foundation for the next century of securities regulation.

NASAA looks forward to assisting the SEC as it develops rules to apply a fiduciary standard of care and loyalty to all who provide investment advice to ensure that this standard is as strong as the existing fiduciary duty of the Advisers Act.

The Dynamic Role of the States in Capital Formation

Ongoing policy debates in Congress over how small businesses and entrepreneurs can raise investment capital could have significant consequences for investor protection.

NASAA members have protected Main Street investors and facilitated access to capital by small businesses for the past 100 years. As the second century of securities regulation begins amid struggling economic conditions, NASAA members are committed to creating ways to spur economic development and job creation.

Because we realize that small businesses are vital to job growth and improving the nation's economy, state securities regulators have no interest in throwing up needless roadblocks for small businesses.

Small business investment has the potential to be a very positive economic force and major driver of wealth and jobs when done in the right way. But when done incorrectly and without appropriate oversight, these investments have the potential to become costly failures that undermine market health and discipline and place middle-income investors at extreme risk.

The challenge for Congress is to balance the legitimate interests of investors with the legitimate goals of entrepreneurs, and to pursue policies that are fair to both. As Congress considers various proposals

regarding the regulation of small business investment, NASAA has remained determined that Congress must refrain from preempting state law while seeking ways to streamline capital formation.

Preempting state authority is a very serious step and not something that should be undertaken lightly or without careful deliberation, including a thorough examination of all available alternatives.

While decreasing federal regulation over small business capital formation may be appropriate, Congress should give states greater flexibility to create innovative regulations that allow small businesses to use modern methods of attracting investors, such as crowdfunding, while providing appropriate disclosures.

Crowdfunding began as a way for the public to donate small amounts of

money, often through social networking websites, to help creative people finance their projects or causes. Now, small businesses and entrepreneurs are turning to Congress to help them raise equity capital from investors through the Internet while circumventing certain state and federal securities laws.

Balancing the needs of small businesses and investors requires a degree of

NASAA President Jack Herstein of Nebraska and Columbia Law School securities law professor John Coffee testify at a Senate Banking Hearing on crowdfunding and other capital formation proposals in December 2011.



regulatory flexibility and creativity. Crowdfunding presents us with one of those challenges and the states are eager to accommodate the needs of small businesses by adopting an innovative exemption to permit crowdfunding. This streamlined approach can be achieved without preempting state securities regulators and is consistent with the goals of both Congress and the Obama Administration to help small businesses access the capital they need in order to promote economic recovery and job growth.

Instead of preempting states, as legislation approved by the House would do, Congress should allow the states to take a leading role in implementing an appropriate regulatory framework for crowdfunding. NASAA firmly believes that the states should be the primary regulator of small business capital formation, including crowdfunding offerings.

Evolving to Adapt to Increasing Securities Market Globalization

Looking forward, the increasing globalization of the world's financial markets will require a thorough examination of regulatory structures around the globe to ensure that they are providing strong and effective regulation to protect investors and prevent financial harm.

While the preemption of state securities regulators was raised in the United States, Canadian securities regulators watched closely the prospects of a 2010 proposal to create a national securities regulator in Canada.

Currently, Canada has a national system of securities regulation run by the 10 provinces and three territories under the umbrella of the Canadian Securities Administrators (CSA). But a Canadian federal government proposal sought to create a national regulator for Canadian securities markets.

Proponents of the national regulator offered that such a structure would

strengthen regulatory enforcement and fraud protection, ensure greater capital market efficiencies and eliminate regulatory duplications. Supporters of the current system of securities regulation praise its strong record of protecting Canadian investors and the effective regulation it provides for diversified Canadian capital markets.

In December 2011, the Supreme Court of Canada ruled that the proposal to create a national securities regulator was unconstitutional and that the Canadian government had exceeded its authority regarding provincial jurisdictions. The Court concluded, "While the economic importance and pervasive character of the securities market may, in principle, support federal intervention that is qualitatively different from what the provinces can do, they do not justify a wholesale takeover of the regulation of the securities industry which is the ultimate consequence of the proposed federal legislation."

At the launch of the second century of investor protection, state and provincial securities regulators look forward to continuing to adapt to evolving securities markets. In so doing, NASAA members will strive to maintain a dynamic and dependable investor protection role while advancing policy initiatives that promote confidence in securities markets throughout North America.

Provincial and state securities regulators, through the Council of Securities Regulators of the Americas (COSRA), are working cooperatively to address the challenges facing investors, regulators and financial markets in the years ahead. These challenges include the regulation of credit rating organizations, hedge funds, derivatives, exempt markets and systemic risk. Among the greatest challenges is containing a contagion of systemic risk to the financial system. NASAA members agree that securities regulators can serve an enhanced role in monitoring and managing systemic risk. As a member of the Financial Stability Oversight Council, NASAA already has taken steps to report systemic risk concerns seen at the state level to federal financial agencies.

Overview of NASAA Activities

NASAA's foremost mission is to represent and serve its members through advocacy, education, subject-matter expertise, communication, coordination and technological innovation as they protect investors from fraud and abuse. For NASAA, 2011 saw advances on several fronts in our endeavors to better serve our members in their continued efforts to protect investors throughout North America.

Government Affairs

The Dodd-Frank Wall Street Reform and Consumer Protection Act had a significant effect on the landscape of both legislative activity in the 112th Congress and NASAA's legislative advocacy. Much of the activity of NASAA's government affairs team has been directed at fighting off attempts to repeal or amend various provisions of the law and preserving the regulatory authority of state securities regulators.

The first session of the 112th Congress presented multiple challenges to the regulatory authority of state securities regulators. And the political climate in Washington in the second session promises to be just as challenging

Throughout this year of Dodd-Frank implementation, NASAA and its members worked hard to ensure that the hard-won reforms of the legislation remained intact. On an equally important front, NASAA emerged as a leading advocate of thoughtful and innovative policy to address economic growth and job creation in the United States.

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Advocacy

NASAA's government affairs team supported NASAA's leadership during four testimonies before House and Senate committees in 2011 and worked with the board-level Federal Legislation Committee to develop and implement NASAA's Pro-Investor Legislative Agenda for the 112th Congress. Through compelling testimony, comment letters and congressional visits, NASAA and its members made the case for the importance of balancing innovation with investor protection



NASAA Past-President and N.C. Deputy Securities Administrator David Massey testifies before the Senate Banking Committee on July 12.

while considering legislative proposals. The government affairs staff also supported the NASAA members by providing analysis and insight into key legislative issues, overseeing the annual congressional visitation program, and arranging a series of individual visits with key members of Congress and their staffs.

NASAA 2011 Testimony

- ***Spurring Job Growth Through Capital Formation While Protecting Investors***

Jack E. Herstein, NASAA President and Assistant Director of the Nebraska Department of Banking & Finance, Bureau of Securities | Senate Committee on Banking, Housing, and Urban Affairs | December 1, 2011

- ***Legislative Proposals to Facilitate Small Business Capital Formation and Job Creation***

Heath Abshure, NASAA Vice President and Arkansas Securities Commissioner | House Subcommittee on Capital Markets and Government Sponsored Enterprises | September 21, 2011

- ***Ensuring Appropriate Regulatory Oversight of Broker-Dealers and Legislative Proposals to Improve Investment Adviser Oversight***

Steven D. Irwin, NASAA Board Member, Chair of NASAA's Federal Legislation Committee and Pennsylvania Securities Commissioner | House Subcommittee on Capital Markets and Government Sponsored Enterprises | September 13, 2011

- ***Enhanced Investor Protection After the Financial Crisis***

David Massey, NASAA President and North Carolina Deputy Securities Administrator | Senate Committee on Banking, Housing, and Urban Affairs | July 12, 2011

Legal & Regulatory Affairs

NASAA serves an important role in providing legal counsel to the membership, commenting on regulatory rule proposals and representing the membership's position as amicus curiae in significant cases involving the interpretation of the securities laws and the rights of investors brought by private plaintiffs or government regulators.

Much of the NASAA legal team's activities in 2011 focused on the rulemaking process guiding the implementation of the Dodd-Frank Act, including the switch of mid-sized investment advisers from federal regulation to state regulation.

In 2011, NASAA filed 11 comment letters with the SEC, Department of Labor and FINRA on a range of issues, including the regulation of investment advisers, private placement of securities, disqualification of felons and other "bad actors" from Rule 506 offerings, investor education, modernization of the fiduciary definition under ERISA and net worth standards for accredited investors.

The NASAA legal department also facilitated the development of model rules for use by the NASAA membership. In 2011, NASAA proposed model rules covering exemptions from registration for advisers to certain private funds; exemptions relating to state franchise registration and disclosure laws; the revocation of NASAA's Health Care Facility Offerings Statement of Policy; amendments to NASAA's Guidelines for the Registration of Asset-Backed Securities, Equipment Programs, Commodity Pool Programs, and Oil and Gas Programs; and revisions to the NASAA Model IA Custody Rule and the NASAA Model IA Brochure Rule.

NASAA's legal department also serves the membership by providing legal counsel and representing their positions as amicus curiae in significant cases brought by private plaintiffs. NASAA filed six amicus briefs in 2011.

NASAA Highlights

2011 Amicus Briefs

- ***Mieka Corp., Daro Blankenship, and Stephen Romo v. Fred J. Joseph and Colorado Division of Securities*** – NASAA filed an amicus brief to the Colorado Court of Appeals in support of a Final Cease and Desist Order in which the Colorado Securities Commissioner refused to apply a rigid presumption that interests in a general partnership are not securities, in favor of a fact-based “economic realities” approach. | November 7, 2011
- ***Oregon v. Marsh & McLennan*** – Pursuant to the Oregon Supreme Court’s grant of review, NASAA filed an amicus brief arguing that the Court of Appeals erred by holding that: (1) Blue Sky antifraud claims under statutes prohibiting misrepresentations and omissions require proof of reliance; and (2) reliance cannot be presumed under the “fraud on the market” doctrine based on the general investment market’s reliance on the misstatements. | August 31, 2011
- ***Oregon v. Marsh & McLennan*** – NASAA filed an amicus brief in the Oregon Supreme Court in support of the State of Oregon’s petition for review of an Oregon Court of Appeals Decision that held that “reliance” was a required element of antifraud claim based on Oregon’s version of §101 of the Uniform Securities Act of 1956. The Oregon Supreme Court granted review. | May 23, 2011
- ***Billitteri v. Securities America*** – NASAA filed an amicus brief in the U.S. District Court, Northern District of Texas, Dallas Division, urging the court to deny a request for a preliminary injunction to halt administrative proceedings brought by state regulators against Securities America Inc., Securities America Financial Corporation, Ameriprise Financial, Inc., and others. | March 15, 2011

- ***Erica P. John Fund, Inc. v. Halliburton Co., et al*** – NASAA and AARP filed an amicus brief arguing that the Fifth Circuit’s requirement that a plaintiff prove loss causation by a preponderance of the evidence prior to class certification creates an insurmountable hurdle that will close the door to the private securities actions that Congress embraced under Section 10(b) of the Securities and Exchange Act of 1934 and the SEC implemented through Rule 10b-5. | March 1, 2011
- ***Amerivest Financial, LLC v. Malouf*** – NASAA filed an amicus brief in the Oregon State Court of Appeals in opposition of the Circuit Court’s ruling that life settlements were not securities under an investment contract analysis. The Court of Appeals has not yet ruled in this matter. | February 8, 2011

Communications & Investor Education

NASAA promotes the work of its members through a proactive communications and media relations program focused on print, broadcast and online media. The communications staff also provides support for legislative and grassroots media activities and raises media awareness of the value of state and provincial securities regulation.

NASAA continued to raise the association’s media profile through a series of meetings with key national print and broadcast reporters in New York and



On January 10, 2011, NASAA President David Massey appeared on Fox Business News to discuss how to check an investment adviser’s background and other investor protection tips.

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Washington. The NASAA leadership has met with reporters and editors from The New York Times, The Wall Street Journal, The Financial Times, Fox Business News, Bloomberg News, Dow Jones Newswire, Money magazine, Reuters, Investment

Advisor magazine and Investment News. This outreach enabled the association to receive positive media coverage supporting its positions on a wide range of regulatory reform topics, including fiduciary duty, investment adviser regulatory oversight, private placements and the value added to investor protection by NASAA members.

NASAA conducted a news briefing at the National Press Club in Washington, D.C., in February 2011 to introduce NASAA's 2011 Pro-Investor Legislative Agenda. In March, NASAA's communications team, along with a representative of the Texas State Securities Board, presented a workshop for journalists at the annual conference of the Society of American Business Editors and Writers in Dallas.

Investor Education Highlights

NASAA's communications team seeks opportunities to promote the information and resources developed by the NASAA Investor Education Section. For example, NASAA promoted the Alerts and Advisories Project Group's Informed Investor Advisories on exchange-traded funds and social networking through national news releases that generated extensive media coverage, including a television appearance by NASAA President David Massey on Reuters Insider, as well as articles in USA Today and the Wall Street Journal, among others.

NASAA revamped its website, www.nasaa.org, to make the programs and resources developed by the Section and the member jurisdictions more accessible to the investing public and the NASAA membership. The new website features more intuitive navigation for investor education resources, allowing investors and the membership to locate content by topic as well as by intended audience.



Additionally, NASAA continues to serve as an advocate of the important contributions of state securities regulators to investor education by representing the membership at meetings of the U.S. Treasury Department's Financial Literacy and Education Commission, American Savings Education Council and Consumer Federation of America's National Savings Forum, among others.

Conferences & Events

NASAA hosted two major conferences in 2011, bringing together state, provincial and federal securities regulators, industry representatives, policymakers, media and others.

NASAA Policy Conference

State and provincial securities regulators convened in Washington, D.C., in March to discuss the key question: "Will Washington Choose Investors?"

The conference, chaired by New York Investor Protection Bureau Chief Marc Minor, opened with a keynote luncheon featuring political commentator Norman Ornstein, resident scholar at the American Enterprise Institute.

The conference featured two panel discussions. The first panel, "Dodd-Frank Implementation: The Future of Financial Reform," spotlighted the impact of reform on investors. Moderated by Pennsylvania Securities Commissioner Steven Irwin, the panel included Florida Securities Division Director Franklin Widmann, Ohio Securities Commissioner Andrea Seidt and Maryland Securities Commissioner Melanie Lubin.

The second panel, "Exotics in the Neighborhood," examined structured products and other exotic choices increasingly offered to retail investors. Peter Cassidy of the Massachusetts Securities Division moderated the panel, which featured Jim McTague, Washington editor for Barron's; Mark Carver, director of iShares Product

NASAA Highlights

Management for BlackRock; and Elisha Tuku, executive director of Morgan Stanley.

Also at the conference, NASAA awarded the organization's highest honor, the Blue Sky Cube, to retiring securities commissioners Ralph Lambiase of Connecticut and Denise Voigt Crawford of Texas in recognition of their many years of leadership and service to NASAA and investors throughout North America.

NASAA Annual Conference

State and provincial securities regulators gathered in September in Kansas, the home of the first state securities law, to commemorate the centennial of blue sky securities regulation and to discuss the past, present and future of investor protection and securities regulation. Colorado Securities Commissioner Fred Joseph and Kansas Securities Commissioner Aaron Jack served as co-chairs of the conference in Wichita.

"We are retracing our roots by gathering in Kansas, the birthplace of state blue sky law. But we're not just in Kansas anymore," said NASAA President David Massey to open the conference. "NASAA members throughout the United States, Canada and Mexico continue to build on our century-old foundation of investor protection."

The conference featured three panel discussions to honor NASAA members' long history of investor protection, examine the current state of financial services regulation and explore what lies ahead for investors, industry and regulators.



The second panel at NASAA's annual conference in Kansas brought together distinguished NASAA veterans and alumni to reflect on the evolution of state securities regulation.

The first panel featured a collection of distinguished NASAA alumni to reflect on the evolution of state securities regulation. Moderated by Iowa Securities Bureau Securities Counsel Craig Goettsch, the panel included: Lewis Brothers, former Virginia Securities Director and NASAA President; Philip Feigin, former Colorado Securities Commissioner and NASAA President; Denise Voigt Crawford, former Texas Securities Commissioner and NASAA President; and Robert Lam, Pennsylvania Securities Commissioner.

The second panel explored the central debate of the current era in securities regulation: the Dodd-Frank Act. Moderated

by then-California Corporations Commissioner Preston DuFauchard, the panel included: Ken Bentsen, Executive Vice President of SIFMA; Stephen Luparello, FINRA Vice Chairman; Barbara Roper, Director of Investor Protection at the Consumer Federation of America; and David Tittsworth, Executive Director of the Investment Adviser Association.

The final panel brought together securities experts to discuss how increasing globalization may shape the future of securities regulation. Moderated by then-Texas Securities Commissioner Benette Zivley, the panel included: Jean Lorrain, Director of International Affairs for Quebec's securities regulator, the *Autorité des marchés financiers*; George (Tres) Arnett, Executive Vice President and General Counsel, HedgeMark International, LLC; and Elizabeth Jacobs, Deputy Director, Office of International Affairs, U.S. Securities and Exchange Commission.

SEC Commissioner Elisse Walter delivered the keynote address and thanked outgoing NASAA President David Massey "for your hard work over the past year in weaving a tighter relationship between the SEC and NASAA, one that will allow us all to protect investors in our financial marketplace better, as they face new and increasingly difficult challenges."

2011

“If we can build on a collaborative relationship that allows the SEC and the states to work together productively and efficiently to protect investors, we can continue to improve our efforts to ensure that our financial markets give retail investors a fair opportunity to profit from the capital they invest,” Walter said.

Incoming NASAA President Jack E. Herstein, in turn, pledged to continue strengthening the relationships among regulators, noting, “Our securities markets are a role model for the rest of the world because of the work of the SEC.”

Training & Technology

Through the increased use of technology, NASAA is enhancing how it communicates with the public and is developing innovative programs to help train and educate the membership.

Training and education are critical to promoting uniformity in state securities regulations and ensuring that state examiners, investigators and prosecutors are aware of and prepared to respond to emerging and current problem areas. Taking advantage of technological innovation, NASAA is expanding the training opportunities it provides to members throughout North America.

In 2011, NASAA conducted eight training seminars for the membership. During the year, NASAA continued to focus on enhancing its distance education



NEMO

initiative to make current training and educational material available to the NASAA membership on demand.

Early in 2012, NASAA launched the long-awaited NEMO (NASAA Electronic Examination Modules) software application.

The new software allows examiners to perform broker-dealer and investment adviser examinations in a secure, digital environment and allows statistical reporting in an expedient manner.

In October 2011, NASAA launched its newly redesigned website, featuring improved navigation, a multimedia spotlight area and enhanced search functionality with a clean, modern look.

The new website remains located at www.nasaa.org and continues to provide resources and information for investors, industry professionals, policymakers and regulators.



New NASAA website

Section Overview

Broker-Dealer Section

Overview

The point-of-sale contact that broker-dealers have with investors makes the work of this Section critical in achieving NASAA's mission of investor protection. The Broker-Dealer Section focuses on issues involving broker-dealers and agents, such as qualification and licensing requirements, record keeping and compliance requirements, continuing education, and practices involving investors. The Section offers official comments on rule proposals; participates in discussions with industry, SROs, and federal regulators regarding trends and concerns in the brokerage industry; and provides guidance to states on broker-dealer issues. The Section oversees the activities of seven Project Groups: Arbitration, Continuing Education, Exams Advisory, Investment Products and Services, Market and Regulatory Policy and Review, Operations, and Variable Annuities, and works closely with the CRD/IARD Steering Committee.

Highlights

The Section focused much of its attention on issues related to the limited registration and/or exemptive relief for Merger & Acquisition Advisers.

- The Operations Project Group completed its work on the NASAA Electronic Examination Modules (NEMO) project and modifications to the Broker-Dealer examination modules.
- The Arbitration Project Group continued to pursue reform in the arbitration arena. The project group submitted a comment letter to the SEC noting the difficulties and potential problems of the all-public selection method for arbitration panels.
- The Exams Advisory Project Group, working with its counterpart from NASAA's Investment Adviser Section, prepared new questions for the Series 63, 65 and 66 exams to address the Dodd-Frank Act and other issues.
- The Market and Regulatory Policy and Review Project Group prepared seven comment letters to the Department of Labor, SEC and FINRA on issues such as a proposed fiduciary duty for retirement accounts, proposed changes to Regulation SHO and various FINRA notices for rule proposals or changes.
- The Continuing Education Project Group met with industry and regulatory agency members and focused on new content for the Series 6, 7 and 24 exams.

2011

2011-2012 Section Committee

John Cronin (VT), Chair
Marc Minor (NY), Vice-Chair
Bryan Lantagne (MA)
Chris Naylor (IN)
Michael Youngberg (SD)
Douglas Brown (MB)
Joe Opron (NASAA)

2011-2012 Project Group Chairs

Leslie Van Buskirk (WI), Arbitration
John Cronin (VT), Continuing Education
William Cahill (MA), Exams Advisory
Marc Minor (NY), Investment Products/Services
Carolyn Mendelson (PA), Market & Regulatory
Policy & Review
William Reilly (FL), Operations
Mark Kissler (WA), Variable Annuities

2010-2011 Section Committee

Ralph Lambiase (CT), Chair
Tanya Solov (IL), Vice-Chair
John Cronin (VT)
Bryan Lantagne (MA)
Chris Naylor (IN)
Douglas Brown (MB)
Joseph Brady (NASAA)
Rex Staples (NASAA)

2010-2011 Project Group Chairs

Leslie Van Buskirk (WI), Arbitration
John Cronin (VT), Continuing Education
William Cahill (MA), Exams Advisory
Marc Minor (NJ), Investment Products/Services
Carolyn Mendelson (PA), Market & Regulatory
Policy & Review
William Reilly (FL), Operations

2011-2012 Section Committee

William Beatty (WA), Chair
Michael Benson (PA)
Anetria Connell (KY)
Peter Cassidy (MA)
Susan Powell (NB)
Rick Fleming (NASAA)

2011-2012 Project Group Chairs

Marlene Spankman (TX), Coordinated Interpretations
Brian Ardire (PA), Business Organizations/Accounting
Dennis Britson (IA), Corporation Finance Policy
Mark Heurman (OH), Direct Participation Programs Policy
Dale Cantone (MD), Franchise & Business Opportunities
Faith Anderson (WA), Small Business/Ltd. Offerings

2010-2011 Section Committee

Heath Abshure (AR), Chair
Randall Schumann (WI), Vice-Chair
William Beatty (WA)
Brett Bordelon (MN)
Peter Cassidy (MA)
Susan Powell (NB)
Tina Stavrou (NASAA)

2010-2011 Project Group Chairs

Marlene Spankman (TX), Coordinated Interpretations
Alisha Smith (NY), Corporate Accountability
Dennis Britson (IA), Corporation Finance Policy
Mark Heurman (OH), Direct Participation Programs Policy
Dale Cantone (MD), Franchise & Business Opportunities
Faith Anderson (WA), Small Business / Limited Offerings

Corporation Finance Section

Overview

NASAA members have long helped facilitate capital formation at the state and local level. NASAA members assist entrepreneurs with their business plans and help them obtain resources to grow their enterprises and create local jobs. The Corporation Finance Section also develops and monitors policies for the registration of securities under state law. The Section oversees the activities of six Project Groups: Coordinated Interpretations, Business Organization/Accounting, Corporation Finance Policy, Direct Participation Programs Policy, Franchise and Business Opportunities, and Small Business/Limited Offerings.

Highlights

Much of the Section's activity focused on federal legislation regarding capital formation and ensuring that the proposed legislation did not preempt the regulatory authority of state securities regulators.

- The Small Business/Limited Offerings Project Group focused its attention on issues related to "crowdfunding," the SEC's proposed rules that would disqualify offerings under Rule 506 of Regulation D that involve "bad actors," and explored a model rule for states to mandate the electronic Form D filing system.
- The Corporation Finance Policy Group developed a model employee benefit plan exemption that better aligns with federal Rule 701.
- The Direct Participation Programs Policy Project Group examined issues surrounding modified funds from operations and lease accounting.
- The Franchise and Business Opportunities Project Group focused on developing proposed Model Franchise Exemptions, which include model language for states to consider when adopting or revising exemptions from registration and disclosure provisions under state franchise laws.
- The Corporate Accountability Project Group monitored a number of corporate governance issues, including the action of the U.S. Court of Appeals for the District of Columbia vacating SEC Rule 14a-11.
- The Coordinated Interpretations Project Group worked toward enhancing the informal process used by regulators to share ideas and concerns regarding requests for informal advice, such as no-action letters and interpretive opinions.

Section Overview

Enforcement Section

Overview

NASAA members have a significant history of bringing enforcement actions, including criminal prosecutions. NASAA assists its members in coordinating enforcement efforts regarding multi-state frauds by facilitating the sharing of information and leveraging the resources of the states more efficiently. NASAA's Enforcement Section acts as a point of contact for other federal agencies and the self-regulatory organizations, such as the SEC, the FBI, the Postal Inspectors, FINRA and the NYSE, and helps identify new fraud trends. The Section oversees the activities of seven Project Groups: Enforcement Publications, Enforcement Training, Litigation Forum, Oil/Gas Ventures, Reg D Investigations, SID Database, and Enforcement Zones.

Highlights

Much of the Section's activity centered on the development and completion of the annual NASAA Enforcement Survey (see pages 6-8). The Section, with the support of the Enforcement Zones Project Group, collected survey results from 88 percent of the NASAA membership. The Section also developed NASAA's annual list of top threats and traps for investors, which was released in August.

- The Oil & Gas Joint Ventures Project Group took steps toward the development of a manual to be used by attorneys, investigators and examiners when investigating a questionable oil and gas offering.
- The Reg D Investigations Project Group completed an initial draft of its Reg D Enforcement Manual to assist NASAA members in their investigations.
- The Attorney/Investigator Training and Litigation Forum project groups developed targeted training programs for NASAA members, including an intense trial advocacy program specifically developed for attorneys who are securities regulators.

2011

2011-2012 Section Committee

Matt Kitzi (MO), Chair
Keith Woodwell (UT), Vice-chair
Kevin Anselm (AK)
Colleen Keefe (KY)
Joseph Rotunda (TX)
R. Scott Peacock (NS)

2011-2012 Project Group Chairs

T. Webster Brenner (MD), Enforcement Publications
Tracy Meyers (SC), Enforcement Training
Gerald Rome (CO), Litigation Forum
Ricky Locklar (AL), Oil/Gas Ventures
Allan Russ (NC), Reg D Investigations
Charles Kaiser (OK), SID Database
Jake van der Laan (NB), Enforcement Zones

2010-2011 Section Committee

Matt Kitzi (MO), Chair
Keith Woodwell (UT), Vice-chair
Kevin Anselm (OR)
Colleen Keefe (KY)
Joseph Rotunda (TX)
Marc Arseneault (AB)
Tina Stavrou (NASAA)

2010-2011 Project Group Chairs

Peter Jamison (DE), Attorney/Investigator Training
Gerry Rome (CO), Litigation Forum
Joseph Rotunda (TX), Oil/Gas Ventures
Allan Russ (NC), Reg D Investigations
Katherine Weiskittel (MD), Enforcement Zones

2011-2012 Section Committee

Linda Cena (MI), Chair
Shonita Bossier (KY), Vice-chair
Michael Huggs (MS)
Theodore Miles (DC)
Abbe Tiger (NJ)
Susan Pawelek (ON)
Joseph Brady (NASAA)

2011-2012 Project Group Chairs

Sheila Cahill (NE), IA Exams Advisory
Michael Huggs (MS), Operations
Ronak Patel (TX), Regulatory Policy & Review
William Carrigan (VT), IA Training Co-Chair
Maurice Kamhi (CA), IA Training Co-Chair
Oscar Gonzalez (TX), IA Zones

2010-2011 Section Committee

Linda Cena (MI), Chair
Andrea Seidt (OH), Vice-chair
Ken Hojnacki (WI)
Michael Huggs (MS)
Ron Thomas (VA)
Estella Tong (ON)
Joseph Brady (NASAA)

2010-2011 Project Group Chairs

Sheila Cahill (NE), IA Exams Advisory
Michael Huggs (MS), Operations
Ken Hojnacki (WI), Regulatory Policy & Review
Randy Mullikin (KS), IA Training
Ronak Patel (TX), Private Funds
Andrea Seidt (OH), IA Zones

Investment Adviser Section

Overview

NASAA's Investment Adviser Section develops policies and monitors the state registration and regulation of firms and professionals in the investment advisory business. The Section also develops uniform policies for ethical business practices and model rules to enforce the investment advisory provisions of state law. The Section oversees the activities of five Project Groups: IA Exams Advisory, Operations, Regulatory Policy and Review, IA Training and IA Zones. The Section also works closely with the CRD/IARD Steering Committee.

Highlights

The Investment Adviser Section concentrated its efforts on preparing NASAA members for the move to state regulation of mid-sized investment advisers. Working with the support of the IA Zones Project Group, the Section focused on a key initiative to develop and execute a large-scale uniformity project for state IA registration and examination efforts to promote the smooth transition of mid-sized advisers switching to multiple state registrations in 2012. The Section also worked closely with the "IA Switch Team" under the leadership of Maryland Securities Commissioner Melanie Lubin.

- The Operations Project Group oversaw the 2011 IA coordinated examinations in which 45 jurisdictions, including five Canadian provinces, contributed 825 exams. The examinations uncovered 3,543 deficiencies in 13 compliance areas.
- The Operations Project Group developed a white paper on mirror trading.
- The Regulatory Policy and Review Project Group focused on revisions to rules related to custody and brochures.
- The IA Exams Advisory Project Group drafted 500 questions to be added to the exam banks and reviewed new and existing questions for changes to conform with Dodd-Frank.
- The IA Training Project Group developed a new training track to highlight issues specific to mid-sized investment advisers switching from federal to state oversight.

Investor Education Section

Overview

Recognizing that education is a key weapon in the fight against investment fraud, the NASAA Investor Education Section develops educational initiatives and helps support the financial education efforts of NASAA members. The Section oversees the activities of four Project Groups, including: Alerts and Advisories, Investor Outreach, Online Outreach and Social Media, and Promotion and Coordination.

Highlights

The Section launched a new organizational structure this year designed to produce material for the investing public, facilitate awareness of new and existing investor education resources, deploy timely alerts and advisories on emerging trends, and create opportunities for expanding outreach through the Internet, multimedia applications and social media.

- The Investor Outreach Project Group developed “Conversation Starters,” a comprehensive new program to help encourage families to start conversations about financial matters.
- The Promotion & Coordination Project Group produced a calendar of events to help NASAA IE coordinators plan ahead for opportune times to deliver investor protection messages.
- The Alerts & Advisories Project Group produced advisories on exchange-traded funds and the risk of investment fraud on social networking sites.
- The Online Outreach and Social Media Project Group completed an extensive review of the NASAA website and developed the site’s new investor education area and also developed a handbook to assist NASAA members in their use of social media to bring a message of investor protection to the public.

2011-2012 Section Committee

Daphne Smith (TN), Chair
Marissa Rignanesi (NB), Vice-chair
Lynne Egan (MT)
Tanya Webber (MS)
Diane Young-Spitzer (MA)
Leah Szarek (NASAA)

2011-2012 Project Group Chairs

Diane Young-Spitzer (MA), Alerts & Advisories
Bernice Geiger (NM), Investor Outreach
Marissa Rignanesi (NB), Online Outreach
& Social Media (*from February 2012*)
Natalie MacLellan (NS), Online Outreach
& Social Media (*through February 2012*)
Tina Kotsalos (PA), Promotion & Coordination

2010-2011 Section Committee

Daphne Smith (TN), Chair
Marissa Rignanesi (NB), Vice-chair
Lynne Egan (MT)
Theodore Miles (DC)
Diane Young-Spitzer (MA)

2010-2011 Project Group Chairs

Diane Young-Spitzer (MA), Alerts & Advisories
Debora Whipple (NM), Investor Outreach
Marissa Rignanesi (NB), Online Outreach
& Social Media
Tina Kotsalos (PA), Promotion & Coordination

2011

Board of Directors 2011-2012

Jack E. Herstein
President, Nebraska

A. Heath Abshure
Vice President, Arkansas
(from January 2012)

Preston DuFauchard
President-elect, California
(through December 2011)

David S. Massey
Past President, North Carolina

Rick Hancox
Secretary, New Brunswick

Fred J. Joseph
Treasurer, Colorado

Steven D. Irwin
Pennsylvania

Melanie Senter Lubin
Maryland
(from January 2012)

Andrea Seidt
Ohio

Patricia D. Struck
Wisconsin

Franklin L. Widmann
Florida
(through December 2011)

Board of Directors 2010-2011

David S. Massey
President, North Carolina

Jack E. Herstein
President-elect, Nebraska

Denise Voigt Crawford
Past President, Texas
(through February 2011)

Rick Hancox
Secretary, New Brunswick

Fred J. Joseph
Treasurer, Colorado

Joseph P. Borg
Alabama

Preston DuFauchard
California

Patricia D. Struck
Wisconsin

Franklin L. Widmann
Florida

Steven D. Irwin
Pennsylvania
(from February 2011)



NASAA President Jack E. Herstein of Nebraska accepts the gavel from NASAA Past-President and North Carolina Deputy Securities Administrator David Massey at NASAA's 2011 Annual Conference in Wichita, Kansas.

NASAA Lists

Board Committee Chairs

2011-2012

Awards

Craig Goettsch, Iowa

CRD/IARD Steering

Melanie Senter Lubin

CRD/IARD Forms and Process

Pamela Epting, Florida

Federal Legislation

Steve Irwin, Pennsylvania

Finance and Audit

Patricia McKenna, Maryland

International

Joseph Borg, Alabama

Legal Services

Debra Bollinger, Virginia

Life Settlements

Fred Joseph, Colorado

Mergers and Acquisitions / Finders

Tanya Solov, Illinois

NEMO Training and Support

Michael Huggs, Mississippi

Reg. D Electronic Filings

Heath Abshure, Arkansas

Small Business / Capital Formation

Heath Abshure, Arkansas

Standardized Training & Technology

Judith Shaw, Maine

Uniform Securities Act

Craig Goettsch, Iowa

Board Committee Chairs 2010-2011

Awards

Craig Goettsch, Iowa

Communications

Daphne Smith, Tennessee

CRD/IARD Steering

Melanie Senter Lubin, Maryland

Federal Legislation

Steve Irwin, Pennsylvania

Finance and Audit

Patricia McKenna, Maryland

International

Joseph Borg, Alabama

Legal Services

Robert McDonald, Maryland

Life Settlements

Fred Joseph, Colorado

NEMO Training and Support

Michael Huggs, Mississippi

Reg. D Electronic Filings

Jack Herstein, Nebraska

Standardized Training, Certification & Technology

Judith Shaw, Maine

Uniform Securities Act

Craig Goettsch, Iowa

Awards

Blue Sky Cube

David S. Massey, North Carolina

Denise Voigt Crawford, Texas

Ralph Lambiase, Connecticut

Outstanding Service Award

Larry D. Burton, Tennessee

James A. Clarkson, SEC

Rick A. Fleming, Kansas

Kenneth L. Hojnacki, Wisconsin

Gail Sheppick, South Dakota

Robert D. Terry, Georgia

Michael J. Vargon, New Mexico

Distinguished Service Award

Carmen Bishop, Kentucky

Dale B. Clements, Tennessee

Deborah Fischione House, NASAA

Rex A. Staples, NASAA

Enforcement Award

Robert Terry, Georgia

Outstanding Team Service Award

Presented to the Dodd-Frank Working Group led by Matt Kitzi of Missouri

Heath Abshure, Arkansas

William Beatty, Washington

Kelvin Blake, Maryland

Linda Cena, Michigan

Pam Epting, Florida

Michael Huggs, Mississippi

Steven Irwin, Pennsylvania

Kristine Kaufflin, Missouri

Scott Lane, Pennsylvania

Melanie Lubin, Maryland

David Massey, North Carolina

Carolyn Mendelson, Pennsylvania

Patrick Morgan, Missouri

Ronak Patel, Texas

Andrea Seidt, Ohio

Tanya Solov, Illinois

Patricia Struck, Wisconsin

Frank Widmann, Florida

Benette Zivley, Texas

2011

Corporate Office Staff

Executive and Administrative

Russ Iuculano
Executive Director

John H. Lynch
Deputy Executive Director/Controller

Gina Haidle
Membership Services and Finance Manager

Jennifer Marsoni
*Executive Assistant, Office Manager
and Benefits Coordinator*

Josephine Oundo
Receptionist

Legal

Joseph Brady
General Counsel

Rick Fleming
Deputy General Counsel

Joseph Opron
Counsel

Faye Gordon
Paralegal

Government Affairs

Michael Canning
Director of Policy

Anya Coverman
Assistant Director of Policy

Paul Tortora
Government Affairs Assistant

Communications and Investor Education

Bob Webster
Director of Communications

Leah Szarek
Manager of Communications and Investor Education

Conferences and Events

Lonnie Martin
Membership and Meetings Manager

Lauren Harley
Membership and Meetings Assistant

Training and Technology

Jason Wolf
Training and Technology Manager



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