

December 8, 2016

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NASAA Legal Department
Mark Steward, Counsel
NASAA
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**Re: Response to Request For Additional Public Comments
Regarding A Proposed Statement of Policy Regarding The Use of
Electronic Offering Documents and Electronic Signatures**

Dear Gentlemen:

The Investment Program Association (“IPA”) submits the following comment with respect to the proposed Statement of Policy Regarding Use of Electronic Offering Documents and Electronic Signatures (“Proposed Statement of Policy”) by the North American Securities Administrators Association (“NASAA”) which provides for a methodology enabling issuers, broker-dealers, investment advisers, and investors to efficiently raise capital while protecting investors in the digital age. As always, the IPA appreciates the opportunity to comment on this important regulatory action.

EXECUTIVE SUMMARY

The IPA is very much in favor of NASAA’s Proposed Statement of Policy as modified and published for comment on October 3, 2016. We have one remaining concern that is a matter of interpretation. Specifically, we are concerned with some potential confusion relating to Section I.A.1.b., of the NASAA Statement of Policy Regarding Use of Electronic Offering Documents and Electronic Signatures (“Section I.A.1.b”), as more fully discussed below.

I. Potential confusion relating to Section I.A.1.b.

The text of Section I.A.1.b., requires that each Offering Document (as that term is defined in the Statement of Policy):

...satisfies the formatting requirements applicable to printed documents, such as font size and typeface, and which is **identical** in content to the printed version (other than electronic instructions and/or procedures as may be displayed on the electronic format...(Emphasis added.)

The IPA is concerned that certain products – such as some Publically Registered Non-Listed REITs and BDC’s - determine Net Asset Value on a daily basis (“Daily NAV”). In such instances it is not feasible, either logistically or on a cost basis, to provide hard copy documents revised on a more regular or continuous basis. Electronically, such changes can be updated contemporaneously, which promotes greater transparency. This is a substantial advantage of electronic delivery versus printed documents and one that should be encouraged in order to take full advantage of changing technology.

II. Proposed Language.

We believe that Section I.A.1.b., ought to be modified as follows in order to permit the greatest transparency depending on the medium (print or electronic):

...satisfies the formatting requirements applicable to printed documents, such as font size and typeface, and which is ***substantially similar*** in content to the printed version (other than electronic instructions and/or procedures as may be displayed on the electronic format ***or certain information which can be updated more efficiently in electronic delivery***...(Emphasis added.)

The proposed language above ought to help clarify any confusion when certain information is more easily updated electronically rather than in print.

Conclusion

Once again, we congratulate NASAA in proposing the Statement of Policy in order to provide clarity regarding electronic delivery of documents and e-signature. Further, we appreciate NASAA's willingness to work together with industry participants in developing the Proposed Statement of Policy. Please note that the IPA stands ready to engage in meaningful dialogue with NASAA regarding our comment above and any other areas of mutual interest.

Respectfully submitted,



Anthony Chereso
President & CEO, Investment Program Association

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