



NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.

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March 6, 2024

The Honorable Mike Johnson (R-LA)
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Hakeem Jeffries (D-NY)
Democratic Leader
U.S. House of Representatives
Washington, D.C. 20515

Re: Vote NO on H.R. 2799, the Expanding Access to Capital Act of 2023, As Amended

Dear Speaker Johnson and Democratic Leader Jeffries:

On behalf of the North American Securities Administrators Association, Inc. (“NASAA”),¹ I write to express our strong opposition to H.R. 2799, the Expanding Access to Capital Act of 2023, as amended. Respectfully, despite the amendments to H.R. 2799 ruled in order,² nothing has changed fundamentally regarding this legislation.

This legislative package would preempt state investor protection laws to the detriment of entrepreneurs, small businesses, and individual investors. NASAA strongly opposes the four anti-state securities regulation titles in H.R. 2799.³ They would be a gigantic step backwards in our collective efforts to right-size local efforts designed to promote responsible capital formation for the next generation of American small businesses and the individual investors who provide much of the operating capital for these businesses.

This legislative package would continue to harm the public capital markets. The policies aimed at boosting the private markets and weakening the disclosure regime central to the public markets will not result in more public offerings by well-run businesses. To the contrary, the results likely will be larger private securities markets that expose retail and institutional investors and the public alike to the direct and indirect consequences of fraud and scams that have metastasized in the opacity of these markets. Moreover, these larger, dark markets may have

¹ Organized in 1919, NASAA is the oldest international organization devoted to investor protection. NASAA’s membership consists of the securities administrators in the 50 states, the District of Columbia, Canada, Mexico, Puerto Rico, the U.S. Virgin Islands, and Guam. NASAA is the voice of securities agencies responsible for grassroots investor protection and responsible capital formation.

² See [H. Rept. 118-407](#).

³ They are H.R. 2607, the Improving Crowdfunding Opportunities Act, H.R. 2590, the Unlocking Capital for Small Businesses Act of 2023, H.R. 2609, the Small Entrepreneurs’ Empowerment and Development (or SEED) Act, and H.R. 2506, Restoring the Secondary Trading Market Act.

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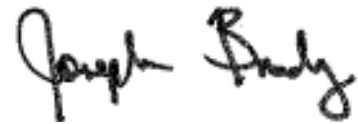
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systemic consequences for our financial markets and undermine our management of financial markets stability.⁴

Accordingly, please vote NO on this fundamentally flawed legislation.

Should you have any questions, please do not hesitate to contact me or Kristen Hutchens, NASAA's Director of Policy and Government Affairs, and Policy Counsel, at khutchens@nasaa.org.

Respectfully,

A handwritten signature in black ink that reads "Joseph Brady". The signature is written in a cursive, slightly slanted style.

Joseph Brady
NASAA Executive Director

CC: Members of the U.S. House of Representatives

⁴ [Access NASAA's Letters to Congress](#). NASAA addresses amendments #1 (Rep. Lawler), 2 (Rep. Huizenga), 3 (Rep. Lucas), and 4 (Rep. Wagner) in footnote two (2) of our letter to Congress dated January 26, 2024. In short, NASAA opposes H.R. 1553, the Helping Angels Lead Our Startups Act of 2023; H.R. 1807, the Improving Disclosure for Investors Act of 2023; H.R. 3063, the Retirement Fairness for Charities and Educational Institutions Act of 2023; and H.R. 2627, the Increasing Investor Opportunities Act. With respect to amendment #5 (Rep. Sherman), NASAA addresses various legislative ideas for reforming the SEC's accredited investor definition in our letter to Congress dated June 15, 2023. In short, we continue to urge Congress and the SEC to study the various rule reforms advanced this Congress and not expand access to private markets without corresponding enhancements in investor protections.