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August 21, 2018

The Honorable Mike Crapo
Chairman
Senate Committee on Banking, Housing & Urban Affairs
538 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Sherrod Brown
Ranking Member
Senate Committee on Banking, Housing & Urban Affairs
538 Dirksen Senate Office Building
Washington, D.C. 20510

Re: S. 488, the JOBS and Investor Confidence Act of 2018

Dear Chairman Crapo and Ranking Member Brown:

On behalf of the North American Securities Administrators Association (NASAA),[1] I am writing to provide NASAA's perspective on certain legislative proposals included in S. 488, the "JOBS and Investor Confidence Act of 2018," which was approved by the House of Representatives (the "House") on July 17, 2018. As approved by the House, the JOBS and Economic Growth Act consists of 32 separate legislative measures, 21 of which have some bearing on the securities laws.

NASAA has testified and commented on many of the individual measures that make up S. 488. NASAA took no public position on S. 488 when it was considered by the House and takes no such position on the bill now. However, there are steps the Senate can and should take to strengthen the investor protection aspects of the bill. We encourage the Senate to take such steps as outlined below.

I. Perspective on Certain Securities Provisions included in S. 488

Title I - Helping Angels Lead our Startups (HALOS Act)

Title I of S. 488, the "HALOS Act," would direct the U.S. Securities and Exchange Commission ("SEC") to amend Rule 506 of Regulation D to specify that prohibitions on general solicitation and general advertising in Rule 506 offerings do not apply to sales events (also called "demo days," "venture fairs," or "pitch days") that are sponsored by a governmental entity, a college or university, a nonprofit organization, an angel investor group, a trade association, a venture forum, or a venture capital association. The provision would also limit the type and amount of information that may be communicated prior to, and at, such events.

As NASAA expressed in a recent letter to the Banking Committee addressing similar legislation that has been introduced in the Senate, given that Congress has repealed the prohibition on

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

general solicitation in certain private securities offerings under Rule 506(c), it is not clear why Congress would now require the SEC to relax its rules governing the solicitation of non-accredited investors under Rule 506(b).[2] However, in the event that Congress determines such action is appropriate, the Senate can and should improve the legislation prior to its becoming law.

In recent years, Congress enacted various measures, the effect of which expanded the size of the private markets. At the same time, however, Congress did not enact complementary measures to provide regulators with the tools necessary to monitor the growing private marketplace. NASAA strongly urges the Senate to complete the unfinished work of the House by making modest changes to Title I to incorporate improvements to Regulation D.[3]

First and foremost, the Senate should amend Title I to mandate the filing of Form D *prior* to the commencing of general solicitation in any Rule 506(c) offering, or failing that, by the date of the first sale of securities in any offering conducted pursuant to Rules 506(b) and 506(c) of Regulation D. Further, the Senate should amend Title I to direct the SEC to adopt rules requiring the filing of a closing amendment upon the termination of these offerings. The information included in Form D would be of particular value to state regulators who would be tasked with ensuring that "demo days," and similar events sponsored in their jurisdictions, are legitimate and compliant with the law.

During the House debate on S. 488, House Financial Services Committee Ranking Member Maxine Waters (D-CA), who was also the primary Democratic sponsor of the bill and its Democratic Floor Manager, explicitly addressed the need for the Senate to amend the HALOS Act to require the filing of Form D with the SEC and state securities regulators.[4] NASAA sincerely hopes the Senate heeds this recommendation and completes this important work.[5]

Title III — Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification

Title III would establish an exemption from the federal registration requirements for persons serving as brokers in certain merger and acquisition deals ("M&A brokers"). The provision mirrors standalone legislation that was approved, unanimously, by the House on December 7, 2017.[6] The

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2 *See:* http://www.nasaa.org/wp-content/uploads/2018/06/NASAA-Letter-Re-6-26-18-and-6-28-18-Banking-Committee-Hearings.pdf.

3 As NASAA has previously explained, incorporating modest changes to Rule 506 and Form D that will enhance the ability of the SEC and NASAA members to protect investors while minimizing the burdens to the small businesses who utilize the rule to raise capital. Such changes were proposed by the SEC in 2013, but have not yet been adopted. (For additional information, see: https://www.sec.gov/comments/4-692/4692-34.pdf).

4 "There are several provisions that we did not reach bipartisan agreement on in time, including reforms to private offerings under regulation D that requires issuers to file disclosures before their first [sale] and after the termination of the offering. I am pleased that the chairman has offered to continue working on this and other issues with me, and I hope that the Senate has its own chance to make these and other changes." (See: Congressional Record Volume 164, Number 120. Tuesday, July 17, 2018. Pages H6295-H6312).

5 Form D can generally be filed quickly and electronically by using the Electronic Filing Depository, or EFD, a website developed by NASAA. For more information on NASAA, please visit our website at http://www.nasaa.org.

6 *See:* H.R. 477, the "Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification Act of 2017," as amended on December 7, 2017. *Available at:* https://www.congress.gov/bill/115th-congress/house-bill/477.

scope of the exemption contemplated by Title III is very similar to a *de facto* exemption from the federal registration requirements that was established by the SEC in its "no-action" letter, dated January 31, 2014 (and revised on February 4, 2014).[7]

State securities regulators have long shared Congress's interest in establishing a more streamlined regulatory framework for persons serving as brokers in M&A deals that involve the transfer of securities, subject to appropriate conditions. Title III appropriately balances the legitimate interests of stakeholders, while maintaining significant safeguards for investors and small business owners. Further, we note that the federal exemption established by Title III would be consistent with the framework for exemption from state registration requirements embodied in a model exemption approved by NASAA in 2016.[8] Accordingly, NASAA supports Title III.

Title IV — Fair Investment Opportunities for Professional Experts

Title IV of S. 488 would amend the Securities Act of 1933 to add specified, inflation-adjusted income and net-worth standards to the "accredited investor" definition. In addition, the provision would extend "accredited investor" status to new categories of natural persons who would qualify as "accredited" irrespective of income or net-worth.

NASAA is not wholly opposed to efforts to modernize the accredited investor standard, including in a manner that would increase the number of accredited investors. Nevertheless, state regulators have a very large stake in any legislative changes that would affect the private securities markets. As noted above, NASAA strongly believes that any legislation which effects the expansion of private securities markets must also take steps to improve the oversight of these markets by providing regulators with better and more accurate information about the issuers and investors participating in this marketplace. Such information will also better equip regulators to address fraud and misconduct.

The current income and net worth standards in the SEC's definition of "accredited investor" were established by the Commission in 1982 and have not been adjusted to reflect the impact of inflation. Given the erosive effects of more than 35 years inflation on these standards, we urge the Senate to take this opportunity to update and modernize these standards. We appreciate that the bill would index the standards for inflation on a going forward basis, but believe Congress can do better, and we urge the Senate to lead in this regard.

Title VIII - Exchange Regulatory Improvement

The Securities Exchange Act of 1934 grants the SEC broad authority to regulate national securities exchanges, including the "facilities" of an exchange. In practice, this delegation of authority allows the SEC to exercise oversight over the exchanges themselves and certain aspects of their operations, such as market data and co-location products and services. Title VII would amend

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[7] *See:* https://www.sec.gov/divisions/marketreg/mr-noaction/2014/ma-brokers-013114.pdf.

[8] On September 29, 2016, NASAA adopted a Model Rule Exempting Certain Merger & Acquisition Brokers from Registration. The NASAA Model Rule is available at http://nasaa.cdn.s3.amazonaws.com/wp-content/uploads/2011/07/MA-Broker-ModelRule-adopted-Sept.-29-2015.pdf.

the Exchange Act to require the SEC to "adopt regulations to further interpret the term 'facility' under section 3(a) … [including] the facts and circumstances the Commission considers when determining whether any premises or property, or the right to use any premises, property, or service is or is not a facility of an exchange."

While NASAA takes no position on Title VIII, we note that other stakeholders have raised important questions about the rationale for the legislation and called for hearings on the bill, and we support this call for a hearing.[9] We remind Congress that state regulators do not possess the authority to regulate national exchanges, and therefore states are not in a position to act as a backstop to SEC oversight of the exchanges in the event that the contemplated changes prove problematic. Moreover, Congress recently enacted major changes to Section 3(a) of the Exchange Act, under Section 501 of S. 2155, and hearings would allow for examination of whether this is the optimal time for Congress to reduce SEC oversight over certain additional exchange rule changes and activities.

Title XI - Expanding Access to Capital for Rural Job Creators

Title XI would amend the Securities Exchange Act of 1934 to add "rural-area small businesses" to the scope of small businesses with unique challenges and issues from which the SEC Advocate for Small Business Capital Formation is required to (1) identify problems with securing access to capital; and (2) issue an annual report containing a summary of the most serious issues encountered by such businesses and their investors.

NASAA supports Title XI. As the closest regulators to the investing public, NASAA's members regularly assist local businesses seeking investment capital. On the basis of this experience, we agree with the premise of this legislation – which is that rural communities and the small businesses located therein can often face unique barriers to accessing capital.

Title XX - Main Street Growth

Title XX would amend Section 6 of the Exchange Act to establish an alternative regulatory framework for National Securities Exchanges that elect to be treated as "venture exchanges."

The prospect of a U.S. "venture exchange" holds some attraction as a way to serve startup companies. While recent data suggests the IPO market in the U.S. is currently quite robust, to the extent there has been a gradual and longer-term decline in IPOs over the past generation, this applies primarily to smaller IPOs.[10] Establishing a successful venture exchange could help reinvigorate the

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[9] For example, the Securities Industry and Financial Market Association (SIFMA) has expressed the view that: "While SIFMA is neither supportive nor opposed to the Amendment in the Nature of a Substitute, we do believe there is an underlying and unanswered question as to the need for legislation to potentially limit the scope of the Securities and Exchange Commission's (SEC) regulation of exchanges. Without the benefit of a legislative hearing or robust public debate, there remains ambiguity over whether there is an actual public policy problem here and if so, what tailored solution could be more appropriate. There is also a question of how investors and the broad universe of market participants will benefit beyond the relief intended to be provided to the for-profit exchanges." (See: SIFMA Letter to House Committee on Financial Services. July 10, 2018.)

[10] As former SEC Commissioner Michael Piwowar recently observed, "In the 1980s and 1990s, IPOs with proceeds of less than $30 million constituted approximately 60 percent and 30 percent, respectively, of all IPOs. This trend reversed in the 2000s. IPOs with proceeds less than $30 million accounted for only 10 percent of all IPOs in the period 2000-2015. By comparison, large IPOs have increased from 13 percent in the 1990s to approximately 45 percent of all IPOs since then." (See: *Remarks at SEC-NYU Dialogue on Securities Market*

market for such smaller-sized IPOs, bringing potential benefits to certain emerging businesses and retail investors, and we do not fundamentally oppose efforts to establish a venture exchange.

However, at the same time, the securities listed on the venture exchange envisioned by Title XX would be remarkably risky investments, potentially volatile and illiquid.[11] Furthermore, due to the smaller size of the listings on a venture exchange, as well as other factors, such an exchange would rely disproportionately on retail investors to provide capital and support liquidity.[12] Finally, given that the U.S. has for decades maintained a robust venture market utilizing an over-the-counter (OTC) or multi-dealer model, Congress should consider whether the establishment of a venture exchange would truly improve the landscape for both investors and small businesses seeking capital.

NASAA has previously submitted testimony to the Banking Committee detailing many of the challenges Congress should address in the course of considering any legislation that would establish a venture exchange, and many of these factors remain central to the Senate's consideration of Title XX. We are pleased that Title XX addresses one of the most important issues from NASAA's standpoint – the bill expressly does not preempt state authority. At the same time, however, we note that legislation approved by Congress earlier this year fundamentally altered the relationship between state securities laws and national securities exchanges listing "covered" securities.[13] Accordingly, NASAA urges Congress to carefully consider these questions prior to enacting Title XX.

Title XXVII - Promoting Transparent Standards for Corporate Insiders

Beyond filing annual reports on Form 10-K and quarterly reports on Form 10-Q, the federal securities laws require public companies to report certain material corporate events on a more current basis, including by filing form 8-K to announce "major events" to shareholders. Because SEC rules governing the filing of Form 8-K allow companies up to four business days after a "major event" occurs in which to file, there can be a period of time during which market-moving information may be known by corporate insiders, but not by most of its investors. Recent academic work suggests that insiders are more likely to engage in open market purchases of their own company's stock when the firm is about to reveal new agreements with customers and suppliers, and that by executing their transactions during this period, such insiders routinely gain an edge on the market.[14] To the extent that insiders are

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Regulation: Reviving the U.S. IPO Market. May 10, 2017. New York, NY. https://www.sec.gov/news/speech/opening-remarks-sec-nyu-dialogue-securities-market-regulation-reviving-us-ipo-market)

[11] Securities that could likely be listed on a venture exchanges contemplated by Title XX include many securities currently transacted on an over-the-counter (OTC) basis, securities sold pursuant to a registration exemption such as Regulation A, and securities subject to reduced disclosure requirements by virtue of being registered as an "emerging growth company," pursuant to Title I of the JOBS Act.

[12] The limited float of issuers of securities listed on any venture exchange, among other factors, limits the willingness and ability of institutional investors to invest, "thus leaving this market largely to retail investors and brokers." (See: United States Venture Market: Has the Time Come? CFA Institute. May, 2016. P. 12 Accessible at https://www.cfainstitute.org/-/media/documents/.../united-states-venture-market.ashx)

[13] Section 501 of the Economic Growth, Regulatory Relief, and Consumer Protection Act, (PL 115-174).

[14] *See:* The 8-K Trading Gap: Columbia Law and Economics Working Paper No. 524. By Alma Cohen, Robert J. Jackson and Joshua Mitts. September 7, 2015. (Accessible at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2657877)

engaging is such practices in order to maximize their profits from a sale of securities, depending on the facts and circumstances involved, this could be deeply worrisome.

Title XXVII would require the SEC to conduct a study of Rule 10b5–1 (which governs the Filing of Form 8-K), including whether the rule should be amended to limit insiders' ability to sell securities preceding the filing of an 8-K. NASAA strongly supports this provision.

Title XXIX - Enhancing Multi-Class Share Disclosures

Title XXIX amends the Securities Exchange Act of 1934 to require an issuer with a so-called "multi-class stock structure" to make disclosures in its proxy or consent solicitation materials regarding the equity interest and voting power of specified persons.

Multi-class, dual-class, and other entrenching governance structures allow for a concentration of voting power in the hands of company insiders through a disproportionate allocation of voting rights among shareholders. Under such structures, insiders can control the company while owning a smaller number of shares than would be necessary in a traditional one-share, one-vote structure. As the SEC Investor Advisory Committee ("IAC") and others have noted, multi-class or dual-class stock governance structures may pose significant risks for investors, including limiting investors' abilities to influence management, direct strategy, and hold misaligned boards accountable. Indeed, as the IAC found, notwithstanding the significant risks associated with multi-class governance structures, the current disclosure regime around such arrangements is simply inadequate.[15]

NASAA strongly supports Title XXIX. Furthermore, NASAA encourages Congress to consider whether there are additional steps that can be taken to limit the ways in which multi-class structures might disadvantage ordinary "Main Street" investors.

Title XXX - National Senior Investor Initiative

Title XXX would establish an interdivisional task force at the SEC, to examine and identify challenges facing senior investors. The provision also requires the Government Accountability Office ("GAO") to study the economic costs of the exploitation of senior citizens.

NASAA strongly supports Title XXX as an important step in Congress's ongoing effort to respond to the growing problem of senior financial exploitation and related senior abuse. As the GAO has already recognized, elder financial exploitation is "an epidemic with society-wide repercussions."[16] However, remarkably, the scope of the problem in terms of overall cost to victims and society has never been fully assessed. In fact, the most often cited study estimates the cost to older Americans in 2010 as the result of financial exploitation to be $2.9 billion, yet this figure is widely believed to be an

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[15] *See:* Recommendation of the SEC Investor Advisory Committee regarding Dual Class and Other Entrenching Governance Structures in Public Companies, P. 4-5. Approved March 8, 2018) Accessible at https://www.sec.gov/spotlight/investor-advisory-committee-2012/iac030818-investor-as-owner-subcommittee-recommendation.pdf.

[16] GAO-13-110, ELDER JUSTICE: National Strategy Needed to Effectively Combat Elder Financial Exploitation, Nov. 2012

underestimation of the actual financial loss given underreporting by victims and the lack of a national reporting system that tracks elder financial exploitation.[17]

To address elder financial exploitation in a way that can facilitate autonomy for Americans as they age, and to provide medical security through preservation of health care and reduction in health care costs, we must identify the scope of the problem. Policymakers simply cannot craft meaningful long-term solutions to the complex challenges of elder abuse, including financial exploitation, without a full and accurate understanding of its true cost at all levels of society.

Title XXXI - Middle Market IPO Underwriting Cost

Title XXXI would require the SEC to carry out a study of the direct and indirect underwriting fees, including gross spreads, for middle-market IPOs. According to research, the gross spread for middle-market IPOs in recent history often has been around 7 percent of the issuer's value, whereas the gross spread for underwriting a larger IPO has been substantially less.[18] On one level, such a finding may not be surprising, given that larger companies may have greater ability to negotiate for lower fees. However, such a disparity would undoubtedly be problematic for smaller companies, and potentially a barrier to capital formation. Indeed, as SEC Commissioner Robert Jackson recently observed, this considerable "IPO tax" on mid-sized companies may be one of the reasons there a fewer small and medium sized companies pursuing IPOs today than was true a generation ago.[19]

NASAA strongly supports Title XXXI. We expect the study to help policymakers in Congress and elsewhere better understand the costs to small and medium-sized companies when they undertake IPOs.

Title XXXII - Crowdfunding Amendments

Title XXXII would amend the Securities Act of 1933 and the Investment Company Act of 1940 to allow crowdfunding investors to pool their money together into a special fund or legal entity that is advised by a registered investment advisor (RIA).

Specifically, Title XXXII establishes and defines the term "crowdfunding vehicle" or "CV" in the Securities Act as a kind of special purpose vehicle (SPV) for crowdfunding. The provision provides that CVs are authorized investors in crowdfunding offerings and can act as vehicles that enable a group of investors to unify and pool their resources to invest in startups that want to raise capital through crowdfunding. To qualify as a CV, the SPV must satisfy a number of requirements, such as (1) that its purpose be limited to acquiring, holding, and disposing of securities in a single company for only one

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[17] Dong, X, Simon, M., Mendes de Leon, C., Fulmer, T., Beck, T., Hebert, L. (2009). Elder self-neglect and abuse and mortality risk in a community-dwelling population. *Journal of the American Medical Association, 302*(5), 517–526

[18] SEC Commissioner Robert Jackson's April 25, 2018 speech entitled "The Middle Market IPO Tax" includes a detailed discussion of recent research into the fees assessed to small and mid-sized companies conducting an IPO, including a discussion of independent research performed with assistance from University of Florida finance professor Jay Ritter, and charts and graphs illustrating the key findings. (See: https://www.sec.gov/news/speech/jackson-middle-market-ipo-tax)

[19] Ibid. Jackson. ("With the deck stacked against them, it's no wonder that middle-market IPOs have been on a steady decline."

class of securities; (2) that it receives no compensation in connection with the acquisition, holding, or disposition of securities; (3) that it must be advised by a registered investment adviser; (4) that it disclose to the investors of the company any fees charged by the investment adviser; and (5) that any increase in such fees be approved by a majority of the CVs investors.

NASAA takes no position on Title XXXII. However, we note that no legislation resembling Title XXXII has been introduced in or considered by either the House or Senate during the 115th Congress, and that no hearings have been held to determine its likely impact on the existing federal crowdfunding regime or the existing intrastate crowdfunding regimes. Therefore, we recommend that Congress apply appropriate scrutiny of the proposal prior to its potentially becoming law.

II. Additional Legislation to Support Main Street Investors

In the event that the Banking Committee determines to act on S. 488, NASAA encourages the Committee to consider adding additional legislative provisions that tangibly benefit ordinary "Mom and Pop" investors to the legislation. We appreciate that several provisions benefiting retail investors were incorporated into S. 488 by the House prior to the bill's passage, but we believe that further improvements can and should be considered by the Senate.

Several specific provisions that NASAA believes would improve S. 488, particularly from the standpoint of balancing the interests of issuers with those of investors, are discussed below.

1. The Compensation for Cheated Investors Act (S. 2499)

S. 2499, the "Compensation for Cheated Investors Act", would direct the Financial Industry Regulatory Authority (FINRA) to establish a fund to provide investors with the full value of unpaid arbitration awards issued against brokerage firms or brokers regulated by FINRA. The bill would also require FINRA to provide enhanced public disclosure of information pertaining to the total number of arbitration awards issued in favor of investors against brokerage firms or brokers regulated by FINRA.

As NASAA has noted in previous commentary to the Committee,[20] we wholeheartedly support the intent behind S. 2499, which is to ensure that wronged investors are not literally left holding the bag when it comes to the payment of arbitration awards issued against broker-dealer firms and their representatives. Unpaid arbitration awards are a well-documented investor protection concern.[21] In failing to pay arbitration awards, broker-dealers fail to comply with their legal, regulatory and ethical obligations. NASAA has been a longstanding proponent of measures to address the problem of unpaid awards, and we encourage Congress to take this opportunity to reduce or eliminate this problem.

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[20] *See:* http://www.nasaa.org/wp-content/uploads/2018/06/NASAA-Letter-Re-6-26-18-and-6-28-18-Banking-Committee-Hearings.pdf.

[21] According to a report released by FINRA in early 2018, more than a quarter of arbitration awards have gone unpaid in most of the last several years. For example, between 2012 and 2016, anywhere from 22% to 30% of cases in which damages were awarded went unpaid. See: *Discussion Paper—FINRA Perspectives on Customer Recovery*, (Feb. 2018). *Accessible at:* http://www.finra.org/sites/default/files/finra_perspectives_on_customer_recovery.pdf?utm_source=MM&utm_medium=email&utm_campaign=NewsRelease_020818_FINAL

2. The Cybersecurity Disclosure Act (S. 536)

The Cybersecurity Disclosure Act would amend the Securities Exchange Act of 1934 to require public companies to disclose, in their annual filings with the SEC, whether any member of their governing body, such as their board of directors or general partner, possesses expertise or experience in cybersecurity. The legislation does not impose any mandates on such companies beyond the additional disclosures specified in the bill.

Incentivizing public companies to consider whether they have adequate cybersecurity expertise in their governing body is an appropriate step given that cyberattacks on U.S. companies continue to increase in both frequency and sophistication. Investors, issuers, and consumers stand to be well-served by policies that encourage companies to consider cybersecurity risks proactively, as opposed to after a data breach or other intrusion has occurred, when the harm may be irreversible.

3. NASAA Proposals to Foster Economic Growth (April 14, 2017)

On April 14, 2017, NASAA submitted three legislative proposals to the Senate Banking Committee regarding opportunities for Congress to amend securities laws to promote economic growth.[22] Those recommendations are to (1) improve oversight of and transparency regarding the offering and sale of securities exempted from registration requirement pursuant to Rule 506 of Regulation D; (2) clarify the definition of the term "qualified purchaser" in the Securities Act of 1933; [23] and (3) diversify the regulatory perspective of the SEC to better reflect the significant role that the states play in regulating securities in the United States, especially in regard to the protection of retail investors and promotion of capital formation for truly small and local businesses. *Unfortunately, the Banking Committee has not yet acted on any of these recommendations.*

Should the Banking Committee or the Full Senate agree to take up S. 488 during the 115th Congress, NASAA strongly encourages the Committee to review each of NASAA's recommendations to ascertain whether any or all of them should be incorporated into the legislation prior to its passage. To that end, NASAA would be delighted to answer any questions the Committee might have regarding these recommendations, or to provide the Committee with any technical assistance that it might require.

Thank you for your consideration of NASAA's views. If we may be of further assistance, please do not hesitate to contact me or Michael Canning, NASAA's Director of Policy and Government Affairs, at (202) 737-0900.

Sincerely,

Joseph P. Borg
NASAA President and Alabama Securities Commission Director

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[22] *See:* http://www.nasaa.org/wp-content/uploads/2013/10/NASAA-Submission-to-Senate-Banking-Committee-RFP041417.pdf.

[23] Specifically, NASAA proposes that Congress should clarify the term "qualified purchaser" in the Securities Act of 1933 by amending the Act and redefining the "qualified purchaser" term in a manner that is identical to the definition of the exact same term in the Investment Company Act of 1940.

CC: Members of the Senate Committee on Banking, Housing & Urban Affairs
The Honorable Jeb Hensarling
The Honorable Maxine Waters