



**NATIONAL ASSOCIATION OF SECRETARIES OF STATE
RESOLUTION ON SECURITIES REGULATION**

Adopted on July 27, 2003

WHEREAS, the National Association of Secretaries of State (NASS) is an organization of member states; and

WHEREAS, NASS adopted a Resolution on Securities Regulation on February 6, 2001, and reaffirmed said Resolution on July 28, 2002; and

WHEREAS, NASS is aware that the United States Congress through the House Financial Services Committee is considering H.R. 2179, "The Securities Fraud Deterrence and Investor Restitution Act of 2003," and that NASS members believe Section 8(b) of said Act would threaten to seriously undermine the effectiveness of state securities regulation by preempting states from negotiating remedial actions with firms or individuals that differ from federal or self-regulatory standards and from imposing any state requirement related to disclosure or conflict of interest; and

WHEREAS, NASS believes it would be a tremendous mistake for Congress during this time of economic uncertainty to materially alter the balance of state-federal authority for securities regulation and to significantly curtail the ability of states to protect their own citizen investors;

BE IT THEREFORE RESOLVED that the National Association of Secretaries of State urges the United States Congress to maintain the ability of the states to protect the investors and consumers residing within their states by eliminating Section 8(b) from H.R. 2179, and take no action that would jeopardize or diminish the existing authority of the states to investigate and prosecute investment fraud and other illegal investment activities by stock brokers, investment advisors, other sales people and financial planners, and unlicensed persons doing business within a state.

BE IT FURTHER RESOLVED that a copy of this resolution shall be forwarded to each member of the United States Congress.

APPROVED this 27th day of July, 2003, by the NASS Committee on Securities, and formally adopted by a majority vote of the membership at the annual summer conference business meeting.

Expires at the Summer Conference of 2008