



NASS Resolution on Securities Regulation

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

WHEREAS, in ten states, the NASS member Secretary of State has jurisdiction over the state's securities regulation, with many states having had such authority since the early 1900's when the nation's first "blue sky" laws were adopted; and

WHEREAS, NASS members believe the complementary system of regulation by state and federal securities regulators has worked effectively to protect investors, provide market integrity and strengthen our securities markets; and

WHEREAS, NASS recognizes that enormous changes have occurred in the past two decades in the world's financial markets due to technological advances, business consolidation, and true globalization of the market and of business transactions; and

WHEREAS, NASS is aware that the United States Congress is likely to review regulation of the country's securities markets and sales practices in light of these changes, and

WHEREAS, NASS and other organizations such as the North American Securities Administrators Association (NASAA) have taken steps to streamline and make more uniform the state securities regulatory structure, in order to enhance the consumer's ability to obtain the best and most comprehensive information available before making an investment decision, and to make regulations less burdensome for businesses; and

WHEREAS, NASS members are concerned that efforts to consolidate all regulation and enforcement of the securities industry under the federal government and to preempt the states' authority to regulate broker-dealers, investment advisers, and their agents and representatives doing business within a state may result in less protection for the small or individual investor who currently and historically has been able to look to state government for protection from and prosecution of illegal activities,

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 taking 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 broker-dealers, investment advisers, their agents and representatives, financial planners, and any other person or entity, whether licensed or unlicensed, engaged in activities in connection with the offer and sale of securities within a state.

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

Expires: Summer 2013

ADOPTED the 28th day of July 2008
in Grand Rapids, MI