



NASAA 2015-2016 Report

Leading the Way



North American Securities Administrators Association

Washington, D.C.
www.nasaa.org



About NASAA

State and provincial securities regulators have protected investors from fraud and abusive sales practices since Kansas passed the first “blue sky” law in 1911 and, in the following year, Manitoba became the first Canadian province to approve securities legislation. In the United States, state securities regulation preceded federal securities laws, including the creation of the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA), formerly the NASD.

Organized in 1919, the North American Securities Administrators Association (NASAA) is the oldest international organization devoted to investor protection. Its membership includes the securities regulators in the 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands; the provinces and territories of Canada; and Mexico.

NASAA'S VISION

Protect investors from fraud and abuse; educate investors; support responsible capital formation; and help ensure the integrity and efficiency of financial markets.

NASAA'S MISSION

Represent and serve members through education, cooperation, coordination, communication, subject matter expertise and advocacy.

NASAA'S GUIDING PRINCIPLES

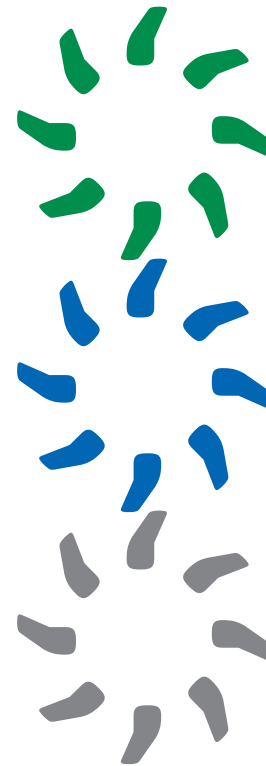
As members of the preeminent organization of securities regulators, NASAA members are guided by the following principles:

- To protect all retail investors regardless of financial wherewithal or level of sophistication.
- To provide education to investors, policymakers, fellow regulators, and each other in order to facilitate informed decision-making.
- To support and facilitate responsible capital formation for the benefit of businesses and investors.
- To respect and seek out diverse views to better inform our policy direction.
- To build consensus wherever possible in order to successfully complete our mission.
- To proactively pursue, develop, and implement initiatives that further our goals and vision.
- To actively participate in NASAA in order to ensure its success.



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President's Message



Mike Rothman
NASAA President-elect
Minnesota Commissioner
of Commerce

Judith Shaw
NASAA President
Maine Securities Administrator

"I look back over the past year and marvel at all we have accomplished. I see great progress and growth in NASAA not only at the membership and committee levels but also at the Corporate Office. I thank all of you for your support during my term as President and want to congratulate Executive Director Joseph Brady and his team on a job well done."

**— Judith Shaw
NASAA President**



For more than 100 years state, provincial and territorial securities regulators have led the way toward investor protection. Before there were federal regulators and before the advent of the self-regulatory organization, NASAA and its members were advocating for and actively protecting the interests of all investors regardless of sophistication, expertise, experience, or resources.

Since its first meeting in Chicago in 1918, NASAA members have tirelessly pursued their grassroots mission of investor protection as the true cops on the beat. As NASAA's 85th President, Chris Bruenn said in her presidential remarks in 2002, "No one can police the retail point of sale better than we can."

I couldn't agree with Chris more. We are the people who get the frantic calls from the retired wife begging us to come take her husband's computer because he has day traded away their retirement funds. We are the people who identify systemic issues involving auction rate securities or conflicted analyst issues that affect our friends, family, and neighbors. We are on the front line offering protection and education not to some but all of those who fall within our borders.

The mission of NASAA members is clear: to serve as a strong advocate for investors, and for the state and provincial securities regulators who protect them. Over the past year we accomplished that mission with the same passion and commitment that we have brought since the inception of state and provincial securities regulation.

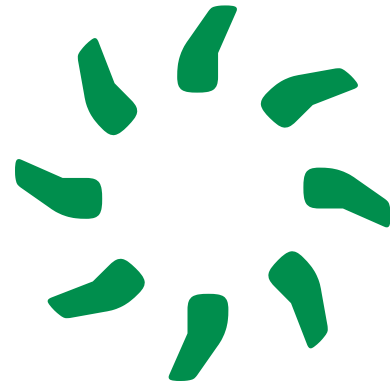
This report focuses on the work of NASAA and its members during my presidency. I anticipate that under the leadership of Minnesota Commissioner of Commerce Mike Rothman, NASAA and its members will continue to move forward with a renewed purpose, identifying opportunities to work together and leveraging our resources in a coordinated fashion.



ISSUE FOCUS: Weaving a Stronger Safety Net for Seniors

“NASAA and its members are leaders in addressing the problem of senior investor abuse with innovative regulatory solutions, targeted enforcement, and investor education.”

— **NASAA President Judith Shaw**



Senior financial exploitation is a critical policy challenge that requires a concerted effort by policymakers, regulators, law enforcement, industry, advocates, and citizens to confront in a responsive and responsible manner.

Elder financial abuse is an ever growing problem due to a combination of factors, including the amount of wealth accumulated by seniors, the steadily rising number of retirees and their increasing social isolation.

Protecting seniors from financial exploitation has been a priority for NASAA for many years. This year, state securities regulators, working through NASAA, sought to address this problem by voting to approve model legislation. The NASAA model act strengthens a much needed safety net for seniors and vulnerable adults by providing firms with tools and resources to identify, report and fight financial exploitation while at the same time respecting the dignity and independence of senior investors by facilitating reporting to regulators and Adult Protective Services; encouraging firms to develop financial advance directives for execution by clients; permitting the delay in disbursement of funds when financial exploitation is suspected; and providing immunity from administrative and civil liability for taking actions permitted under the model.

On July 1, 2016, new laws or rules took effect in Vermont, Alabama and Indiana. All contain provisions that can be found in the NASAA model act. A similar law takes effect in Louisiana on January 1, 2017. We hope to see the additional adoption of legislation consistent with the NASAA model when state legislative sessions convene in 2017.

NASAA also appreciates Congress’ focus on enhancing senior investor protection. Earlier this year, for example, the House of Representatives overwhelmingly approved H.R. 4538, the SeniorSafe Act of 2016 introduced by Representative Bruce Poliquin (R-ME) and Representative Kyrsten Sinema (D-AZ). NASAA looks forward to working closely with Sen. Susan Collins (R-ME), and other members of the Senate to secure the Act’s passage in that chamber.

The SeniorSafe Act will remove barriers that have frustrated efforts to report suspected cases of senior financial exploitation, and provide training to financial services professionals to help recognize and report such exploitation to state securities regulators and other appropriate governmental authorities.

ISSUE FOCUS:

Weaving a Stronger Safety Net for Seniors



“I appreciate your association’s longstanding focus on protecting seniors.”

**— U.S. Senator Susan Collins (R-ME)
Chair, Senate Special Committee on Aging**

NASAA Executive Director Joseph Brady, NASAA President Judith Shaw, and U.S. Senator Susan Collins at NASAA Public Policy Conference in May 2016.

NASAA’s model legislation and the Senior\$afe Act differ in some aspects but they share a common goal of protecting seniors by encouraging the early detection and reporting of financial exploitation targeting this population.

The Senior\$afe Act also is an important complement to the Senior\$afe training for financial institutions developed by NASAA in conjunction with the Maine Council for Elder Abuse Prevention. The key to the success of the training is raising awareness of the red flags of suspected elder financial exploitation and establishing a protocol for reporting those suspicions.

We need as many ears and eyes as possible listening and watching for signs of suspected elder financial exploitation. It is no exaggeration to say that this program not only has kept funds in the hands of customers but has also saved lives.

For example, a credit union teller in Maine noticed a customer was being accompanied by a person unknown to the teller on visits to the branch. Subsequently, the customer ceased making her usual visit to the branch.

Upon calling the customer’s home, the teller was told that the customer no longer lived there. A report to Adult Protective Services resulted in a welfare check being conducted. The customer was found bedridden and within hours of death.

No issue lends itself better to coordination, collaboration, and cooperation than the protection of our senior investors.

Together, we can weave a stronger safety net for our elderly, break down barriers and walls that have kept us seeking single solutions from narrow perspectives; and empower those who are best positioned to identify red flags early on and encourage reporting and referrals to appropriate authorities.

Together, we can make a difference.

ISSUE FOCUS: Weaving a Stronger Safety Net for Seniors

NASAA Senior Initiative:



In December, NASAA unveiled ServeOurSeniors.org, a new website designed to provide senior-focused resources to investors, caregivers, industry and policymakers.

“We are pleased to provide a resource-rich online environment for senior investors and those best positioned to provide for their care, financial security and protection,” said Judith Shaw, NASAA President and Maine Securities Administrator in announcing the website’s launch.

A key feature of the website is an interactive map to help users quickly and easily locate contact information for their jurisdiction’s securities regulator, adult protective services agency, and other governmental senior-related service providers.

Each of the website’s four portals provides specific information for its targeted audience: investors, caregivers, industry and policymakers. The website also serves as the online presence of the NASAA Committee on Senior Issues & Diminished Capacity as well as its Advisory Council.

NASAA Senior Initiative:



In March, NASAA announced that it is offering a training program for its members to help train broker-dealers and investment advisers in identifying and reporting suspected elder financial abuse. In August, NASAA announced the inclusion in the program of training for employees of financial institutions, such as banks and credit unions.



NASAA’s version of the “SeniorSafe” training for financial industry professionals was developed using a similar program for bank and credit union tellers created by the Maine Council for Elder Abuse Prevention. The Maine Council supports NASAA’s retooling of the program and appreciates the opportunity to increase training for financial professionals. Recognizing the signs of cognitive decline and financial exploitation is critical to protect elderly and vulnerable investors.



Serve Our Seniors is an initiative of the **North American Securities Administrators Association**, the voice of state and provincial securities regulators.



With at least a third of its members’ enforcement actions involving senior investors, NASAA developed this website to provide resources for senior investors, family caregivers, the securities industry, and policymakers.

[Learn More About Us](#)



Industry



Caregivers



Policymakers



Investors

ISSUE FOCUS:

Weaving a Stronger Safety Net for Seniors

NASAA Senior Initiative:

MODEL ACT TO PROTECT VULNERABLE ADULTS FROM FINANCIAL EXPLOITATION

In January 2016 NASAA's membership voted to approve a model act designed to protect vulnerable adults from financial exploitation. The model, entitled "An Act to Protect Vulnerable Adults from Financial Exploitation," provides new tools to help detect and prevent financial exploitation of vulnerable adults. The model act will help securities regulators, investment advisers and broker-dealers, as well as adult protective services (APS) agencies, work in partnership to protect our most vulnerable investors.

"I am pleased that the NASAA membership adopted this model act, which is available for individual jurisdictions in the United States to enact as legislation or implement through regulation," NASAA President Judith Shaw said when the model act was approved.

The model act:

- 1 Mandates reporting to the state securities regulator and state APS agency when a qualified individual such as a securities broker or investment adviser has a reasonable belief that financial exploitation of an eligible adult has been attempted or has occurred.
- 2 Authorizes notification to third parties only in instances where an eligible adult has previously designated the third party to whom the disclosure may be made. Importantly, the model act directs that disclosure may not be made to the third party if the qualified individual suspects the third party of being involved in the financial exploitation.
- 3 Enables broker-dealers or investment advisers to impose an initial delay of disbursements from an account of an eligible adult for up to 15 business days if financial exploitation is suspected. The delay can be extended for an additional 10 days at the request of either the state securities regulator or APS.

- 4 Provides immunity from administrative or civil liability for broker-dealers and investment advisers for taking actions including delaying disbursements as permitted under the act.

- 5 Requires qualified individuals such as securities brokers or investment advisers to provide records that are relevant to the suspected or attempted financial exploitation to government authorities.

The model act applies to adults age 65 and older and individuals who qualify for protection under a state adult protective services statute. The model act defines "qualified individual" as broker-dealer agents; investment adviser representatives; those who serve in a supervisory, compliance, or legal capacity for broker-dealers and investment advisers; and any independent contractors that may be fulfilling any of those roles.

The mandatory reporting requirement, combined with the act's immunity provision, will create incentives to encourage broker-dealers and investment advisers to report potential financial exploitation as early as possible, when their intervention may be able to prevent harm or limit the damage to victims of financial exploitation.

"The ability to have a regulator assess the situation and determine whether additional resources should be brought to bear is a key component of any responsible approach intended to provide meaningful protection to vulnerable investors," Shaw said. "Requiring reporting at the individual agent and adviser level is appropriate because these individuals often have closer relationships with their clients and customers and time is of the essence when fighting elder financial exploitation."

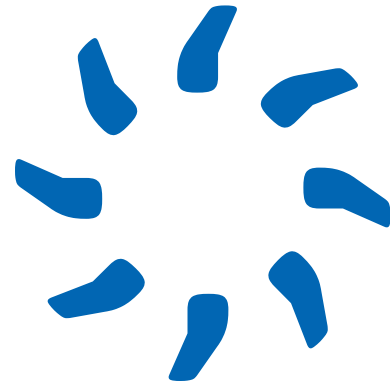
The model act was developed by the Legislation and Regulation Working Group of NASAA's Board-level Committee on Senior Issues and Diminished Capacity.



ISSUE FOCUS: Facilitating Responsible Capital Formation

“NASAA members play an important role in helping to facilitate responsible capital formation which, in turn, protects our investors on Main Street as well as our local businesses.”

— **NASAA President Judith Shaw**



NASAA members are at the forefront of fostering capital formation for small businesses, entrepreneurs and investors in their jurisdictions.

The reality of new technologies, new modes of investing, and a global, interconnected marketplace, requires new ideas and creative solutions. Toward this shared goal, NASAA and its members have been involved in numerous efforts to facilitate capital formation, promote job growth and protect investors.

NASAA members provide a level of accessibility to local, small business issuers and investors that is unavailable from any federal regulator.

NASAA members also are accountable to residents of their jurisdictions, including both investors and local businesses that seek to raise capital. This accountability factors into the way state securities regulators review applications for registration.

Through 2015-2016, NASAA and its members continued to build upon the momentum generated by several innovative initiatives and activities undertaken to promote responsible capital formation, including:

-  Establishing the Electronic Filing Depository System
-  Coordinated Review for Regulation A Offerings
-  NASAA Capital Formation Roundtable
-  Intrastate Crowdfunding & Related State Exemptions

ISSUE FOCUS: Facilitating Responsible Capital Formation

Electronic Filing Depository

Filer Registrations are now open. You may use this site to submit your notice filings.

Welcome to EFD, a web based solution that provides States, US Territories and Jurisdictions the capability to collect securities and related filing notices, fees and forms.

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ELECTRONIC FILING DEPOSITORY SYSTEM

NASAA's Electronic Filing Depository (EFD) is an online system that allows issuers to submit to state securities regulators notice filings for Regulation D, Rule 506 offerings.

EFD is modernizing and streamlining an issuer's experience with notice filings, or copies of Form Ds for 506 offerings, with state securities regulators.

Since its launch in December 2014, NASAA's EFD has been used to facilitate more than 41,000 notice filings (including initial filings, amendments, terminations and renewals) with state securities regulators, including more than 18,000 since the beginning of 2016.

Currently, 45 jurisdictions accept Form D filing through the system, and NASAA is actively working with additional states to bring them onto the system.

This system interfaces with the SEC's EDGAR system and allows the public to search and view, free of charge, state Form D notice filings.

“NASAA's EFD demonstrates that by leveraging technology, NASAA and its members are providing filers with a modern, streamlined and efficient filing process.”

— NASAA President-elect Mike Rothman

ISSUE FOCUS: Facilitating Responsible Capital Formation

COORDINATED REVIEW

HOME

CR-SCOR

CR-DPP

CR-EQUITY

REGULATION A



Coordinated Review is designed to expedite the state registration process, saving issuers time and money, in addition to establishing uniform state review standards.

Coordinated review programs for state registration of securities offerings streamline the process for issuers seeking multi-state registrations of their securities offerings. In addition to establishing uniform review standards, coordinated review is designed to expedite the registration process, saving the issuer time and money. Coordinated review is voluntary, and there is no additional cost for choosing to register an offering through coordinated review.

NASAA's updated and enhanced website for its coordinated review program, including coordinated review for Regulation A offerings, is available at www.coordinatedreview.org

REGULATION A COORDINATED REVIEW

NASAA's modernized and streamlined review process for Regulation A offerings has helped boost issuer participation in the coordinated review process.

NASAA's "Multi-State Coordinated Review Program," first implemented in April 2014, allows for filings to be made in one place and distributed electronically to all states.

Coordinated Review also sets up a streamlined review process among all the states in which an issuer has filed.

Since the program's launch, 13 filings have been reviewed, all within the program's 21-day review period.

This innovation is not only reducing regulatory compliance costs on small businesses attempting to raise capital under Regulation A but is setting a new service standard for the benefit of filers and investors alike.

CROWDFUNDING

Since the first crowdfunding statute was enacted in Kansas in 2011, intrastate crowdfunding has grown to 34 jurisdictions throughout the United States and is currently in effect in 29 of those jurisdictions.

Throughout the states, there have been 177 filings to date, including a broad array of local businesses that have turned to intrastate crowdfunding to help launch or expand their operations, which range from breweries to baseball bat makers, family-run farms to technology companies.

In May 2016, federal crowdfunding rules went into effect, ushering in a new era of crowdfunding in the United States. In a step toward providing guidance to issuers and promoting uniformity, NASAA's Board of Directors approved the release for public comment of a proposed model rule and uniform notice filing form for federal crowdfunding offerings.

This milestone gives state regulators another opportunity to increase our collaboration with federal counterparts.

ISSUE FOCUS: Facilitating Responsible Capital Formation



From left, NASAA Executive Director Joseph Brady, President Judith Shaw, and President-elect Mike Rothman participate in the roundtable's discussions.

Participants at NASAA second Capital Formation Roundtable, including Bill Beatty (center), Chair of NASAA's Capital Formation Committee.

NASAA CAPITAL FORMATION ROUNDTABLE

Ultimately, NASAA believes that the adoption of a model rule and uniform notice filing form by those states that wish to require notice filings will be a benefit to both issuers and regulators.

Opportunities for crowdfunding also grew in Canada in 2015-2016. More than half of the Canadian provinces and territories allow equity crowdfunding. In November 2015, the securities regulatory authorities in Manitoba, Ontario, Québec, New Brunswick and Nova Scotia published in final form Multilateral Instrument 45-108 Crowdfunding, which introduced a crowdfunding prospectus exemption for issuers as well as a registration framework for funding portals. The MI 45-108 crowdfunding regime coexists and is viewed to be complementary with the start-up crowdfunding exemptions by jurisdictions that adopted them on May 14, 2015 in Manitoba, Saskatchewan, Québec, New Brunswick and Nova Scotia. The new crowdfunding regime came into force in the participating jurisdictions on January 25, 2016. In July 2016, Alberta advanced a crowdfunding proposal to facilitate capital-raising for small- and medium-sized enterprises while providing appropriate investor protection.

Following the success of NASAA's 2015 inaugural Capital Formation Roundtable, NASAA again brought together leading North American experts in corporation finance and investor protection in 2016.

"Our roundtables provide an opportunity for an open dialogue regarding issues important to issuers, investors, and regulators," said NASAA President and Maine Securities Administrator Judith Shaw. "If we are to regulate effectively, we cannot do so in a vacuum. Our inaugural roundtable provided an opportunity for us to step back and assess our role in regulating the capital markets."

In 2016, NASAA requested comment on two Statements of Policy in response to issues raised at the inaugural Capital Formation Roundtable. The first regarded a proposed multistate Form U-1, which is used to register securities, and a revised Form U-2, which is a uniform consent to service of process used by NASAA jurisdictions in connection with registered and exempt securities offerings. NASAA also in 2016 issued for public comment a Statement of Policy on the use of electronic offering documents and electronic signatures. Both proposals remain ongoing.

NASAA Overview



- ☀ Model Rules & Statements of Policy
- ☀ Advocacy
- ☀ Amicus Briefs
- ☀ Investor Awareness
- ☀ Training & Events
- ☀ Awards



NASAA Overview: Model Rules & Statements of Policy

NASAA formulates model rules and statements of policy for implementation by its members as an ongoing priority to promote and encourage uniformity among its members in the interest of investor protection and responsible capital formation.

During 2015-2016, NASAA adopted or proposed the following model rules and statements of policy.

ADOPTED: Model Act to Protect Vulnerable Adults from Financial Exploitation

Protecting senior investors from financial exploitation has long been a primary focus of NASAA members. On January 22, 2016, NASAA members voted to approve a model act that provides financial industry participants and state regulators with new tools to help detect and redress financial exploitation of vulnerable adults.

Application

Under the act, “eligible adults” include those age 65 or older and those adults who would be subject to the provisions of a state’s adult protective services statute. “Qualified individuals” include broker-dealer agents; investment adviser representatives; those who serve in a supervisory, compliance, or legal capacity for broker-dealers and investment advisers; and any independent contractors that may be fulfilling any of those roles.

Key Provisions

Mandatory Reporting. Qualified individuals who reasonably believe that financial exploitation of an eligible adult may have occurred, been attempted, or is being attempted, must promptly notify Adult Protective Services and their state securities regulator.

Notification. The act authorizes disclosure to third parties only in instances where an eligible adult has previously designated the third party to whom the disclosure may be made. Importantly, the model act directs that

disclosure may not be made to the third party if the qualified individual suspects the third party of the financial exploitation.

Delayed Disbursements. The act provides broker-dealers and investment advisers with the authority to delay disbursing funds from an eligible adult’s account for up to 15 business days if the broker-dealer or investment adviser reasonably believes that a disbursement would result in the financial exploitation of the eligible adult. If the broker-dealer or investment adviser delays a disbursement, it must notify individuals authorized to transact business on the account (unless these individuals are suspected of the financial exploitation), notify the state securities regulator and the adult protective services agency, and undertake an internal review of the suspected exploitation. Under the model, the securities regulator or adult protective services agency may request an extension of the delay for an additional 10 business days. Extensions beyond that could be ordered by a court.

Immunity. The act’s immunity provisions are applicable to the reporting of suspected financial abuse to governmental agencies, the disclosure of information to designated third parties, and the decision to delay disbursements. The immunity provisions provide immunity from administrative and civil liability for qualified individuals, broker-dealers, or investment advisers who, in good faith and exercising reasonable care, comply with the provisions of the act.

Records. The act requires that broker-dealers and investment advisers comply with requests for information from Adult Protective Services agencies or law enforcement in cases of suspected or attempted financial exploitation. The act further clarifies that the granting of such access shall not be construed to subject the records of the broker-dealer or investment adviser to a state’s public records laws.



NASAA Overview: Model Rules & Statements of Policy

ADOPTED: NASAA Model Rule Requiring Notice Filing for Regulation A – Tier 2 Offerings

NASAA members in May 2016 adopted a model rule requiring a notice filing for issuers using the Regulation A – Tier 2 exemption in those states in which the offering is made. The model form simplifies the filing process for issuers by referencing the SEC filing and including consent to service of process language within one document.

Title IV of the JOBS Act of 2012 directed the Securities and Exchange Commission to create a new exemption from registration under Section 3(b) of the Securities Act of 1933 for offerings of up to \$50 million in a 12-month period. The Act also provided for preemption of state registration requirements where the securities are offered or sold on a national securities exchange; or offered or sold to “qualified purchasers.” The SEC adopted final amendments to existing federal Regulation A on March 25, 2015. The new rules provide for two tiers of offerings under Regulation A. Offerings of up to \$20 million may be made under the rules applicable to Tier 1 offerings. Offerings of up to \$50 million may be made under Tier 2, which, among other things, triggers ongoing reporting requirements. There is no minimum offering amount for Tier 2 offerings.

Pursuant to the SEC’s final rules, offerings under Tier 2 must be made to “qualified purchasers.” States are preempted from requiring registration of these offerings. The states may, however, require the filing of copies of documents filed with the SEC, together with a consent to service of process and any fee that would have otherwise been required for notice purposes.

The NASAA model rule would require the filing of a short form with basic information about the issuer and the offering along with the payment of a filing fee. A consent to service of process is embedded in the form. The rule also sets forth renewal and amendment requirements for offerings. NASAA also has proposed a uniform state notice filing form for Tier 2 offerings.

Proposed New Multistate Form U-1; Revised Form U-2

Issuer participation in the coordinated review process has increased significantly with the creation of the Regulation A coordinated review program. Issuers that have availed themselves of this new program have expressed a strong interest in having access to a single Form U-1 that would accommodate all participating jurisdictions.

The Form U-1 is a uniform application to register securities. With limited exceptions, all NASAA jurisdictions require completion of the Form U-1 in order to register securities by coordination or qualification. The proposed new Multistate Form U-1, intended to replace the existing Form U-1, will assist issuers in their efforts to obtain approval of their offering in multiple states, particularly with regard to approval through the coordinated review program.

Further, increased use of the internet and other electronic means of communication has hastened the necessity to be able to complete the Form U-1 electronically and to sign documents by electronic means. The proposed form provides a method for a jurisdiction to adopt this electronic functionality.

Form U-2 is a uniform consent to service of process used by NASAA jurisdictions in connection with registered and exempt securities offerings. Since several state regulatory agencies have undergone a variety of changes, Form U-2 required updates to aspects of the information pertaining to the listed service of process agencies to ensure accuracy. In addition to updating the reference information, additional changes were proposed to modernize and simplify the form.

Proposed Statement of Policy on the Use of Electronic Offering Documents and Electronic Signatures

As technology continues to progress and permeate through more aspects of the securities industry, it has become increasingly important for NASAA members to address the appropriate use of technology when conducting a securities offering.



NASAA Overview: Model Rules & Statements of Policy

Several issuers have begun implementing technologies that allow prospective investors to receive offering documents and subscription agreements electronically, as well as the ability to execute these documents using an electronic signature. These issuers have requested relief through no-action letters among other methods in order to gain state approval of these initiatives. As more issuers seek to implement similar programs, NASAA's Board of Directors has begun the process to provide a tool to enable NASAA members to establish uniform guidelines to govern these initiatives and to streamline the process for industry participants.

The proposed Electronic Initiatives Statement of Policy, released for public comment in May 2016, addresses the requirements and restrictions to which an issuer is subject should it choose to engage in an electronic initiative, such as providing offering documents and/or subscription agreements electronically, as well as allowing these documents to be executed using an electronic signature.

Proposed NASAA Model Rule and Uniform Notice Filing for Federal Crowdfunding Offerings

Title III of the JOBS Act of 2012 created a new exemption from registration for crowdfunding offerings under Section 4(a)(6) of the Securities Act of 1933. The exemption allows sales of up to \$1 million during a 12-month period, imposes investment limits for investors, and requires the offering to be made through either a registered broker or funding portal. The SEC adopted final rules under this new exemption on October 30, 2015 and those rules went into effect on May 16, 2016. The JOBS Act preempted state filing and fee requirements with respect to offerings conducted under the federal crowdfunding exemption except by a state that is either the principal place of business of the issuer or where purchasers of 50 percent or greater of the aggregate amount of the offering reside.

To facilitate state notice filings in a uniform manner, NASAA's Board of Directors in May 2016 approved the release for public comment of a proposed model rule that would enable states to implement a notice filing requirement for crowdfunding offerings made in reliance on Regulation Crowdfunding. The proposed uniform

notice filing form simplifies the filing process for issuers by incorporating documents filed on EDGAR and including consent to service of process language within the form.

Proposed Amendments to the NASAA Statement of Policy Regarding Real Estate Investment Trusts (REITs)

NASAA in July released for public comment a proposal to add a uniform concentration limit of 10 percent of an individual's liquid net worth, applicable to their aggregate investment in a REIT, its affiliates, and other non-traded REITs. The proposed amendment signifies further effort to more uniformly regulate non-traded REITs in NASAA member jurisdictions and NASAA looks forward to reviewing comments from the public as this important proposal moves forward. By providing a uniform concentration limit for average investors of 10 percent of their liquid net worth, this proposal seeks to provide a balance of investor protection and flexibility for investors to build wealth.

Non-traded REITs are sold directly to investors and are not traded on exchanges. These products have limited liquidity, which may make them unsuitable for certain investors. The proposal, which adds both a concentration limit and independent suitability determination, addresses appropriate limits on the level of investment in a REIT, its affiliates, and other nontraded REITs. This is especially important given that these types of investments often are marketed to senior investors who are retired or nearing retirement. NASAA's proposal is a meaningful expansion of uniform concentration limits for publicly registered non-traded REITs and represents a substantial enhancement of investor protection for the largest segment of direct participation program (DPP) investors.

Proposed Revisions to NASAA Corporation Finance Statements of Policy

In April, NASAA released for public comment a series of proposed amendments to Statements of Policy intended to enhance the Regulation A – Tier 1 Coordinated Review Program. The Statements of Policy proposed for revision include those regarding preferred stock; promoter's equity investment; specificity in use of proceeds; and unequal voting rights.

NASAA Overview: Advocacy

“We have learned that efforts to spur successful capital formation must reflect a balanced regulatory approach that minimizes unnecessary costs and burdens on small businesses while maintaining robust investor protection.”

**— NASAA Capital Formation
Committee Chair William Beatty**

In April 2016, NASAA testified before a House subcommittee to reiterate its advocacy of a regulatory approach that promotes capital formation while maintaining strong investor protections.

“We have learned that efforts to spur successful capital formation must reflect a balanced regulatory approach that minimizes unnecessary costs and burdens on small businesses while maintaining robust investor protection,” Washington Securities Administrator and chair of NASAA’s Capital Formation Committee William Beatty testified during an April 14, 2016 hearing before the House Financial Services Subcommittee on Capital Markets and Government Sponsored Enterprises.

The hearing was called to examine the impact of the JOBS Act four years after its passage and to explore four legislative proposals intended to further enhance capital formation, including H.R. 4852, The Private Placement Improvement Act, which would alter the filing requirements under Regulation D and would foreclose certain actions that the SEC proposed in a 2013 release; H.R. 4850, The Micro Offering Safe Harbor Act, which proposes three new exemptions from state and federal securities registration; H.R. 4854, The Supporting Americas Innovators Act, which would amend the Investment Company Act to expand



investment company registration for venture capital or angel investment syndicates; and H.R. 4855, The Fix Crowdfunding Act, which would amend Title III of the JOBS Act.

Beatty testified that NASAA has “serious concerns” about H.R. 4852, which limits the SEC’s authority to revise the filing requirements of Regulation D. “We oppose any action by Congress to diminish the ability of the SEC to undertake prudent steps to limit the risks to investors resulting from the lifting of the ban on general solicitation,” he said.

Regarding, H.R. 4850, NASAA’s testimony outlined how the legislation would make the policing of the unregistered securities marketplace much more difficult for state securities regulators and expose investors to new and more severe investment risk. NASAA said H.R. 4854 would undermine important investor protections afforded by the Dodd-Frank Act intended to bring more regulatory oversight to venture capital or angel investment syndicates. NASAA also urged the panel to refrain from recommending revisions to Title III of the JOBS Act as proposed by H.R. 4855. “The critical point for Congress is that there is no answer to the question of how to ‘fix’ federal crowdfunding because we do not yet know what will work, what won’t work, or what the new marketplace will look like,” Beatty said.

NASAA Overview: Amicus Briefs

NASAA represents the positions of its members, as amicus curiae, in significant legal proceedings that may have widespread impacts on securities regulators and the rights of investors. All of NASAA amicus briefs prepared under the direction of NASAA's Legal Services Committee are on the NASAA website. Highlights of recent cases follow below.

Gerald Rome v. Marc Mandel and Wall Street Radio: In July 2016, NASAA filed an amicus curiae brief in the Colorado Court of Appeals responding to an appeal by defendants Marc Mandel and Wall Street Radio of a state trial court's finding that they had unlawfully provided investment advice without licensure in the state. Defendants were so-called auto-trading lead traders, making buy/sell recommendations to paying subscribers through a securities newsletter. Defendants argued they were exempt from licensure because of Colorado's publisher's exemption from investment adviser registration. A trial court disagreed. NASAA's amicus brief to the appellate court argued that auto-trading lead traders provide investment advice under federal and state securities statutes and related case law and that defendants accordingly were required to register in Colorado. NASAA's brief also cautioned the court against any potential ruling that might disharmonize the scope of federal and state publisher's exemptions. The case is pending.

People of the State of New York v. Greenberg: At issue in the case before the New York Court of Appeals was whether the New York Attorney General could maintain its action seeking equitable remedies against former executives for their role in alleged accounting frauds at AIG. The defendants argued, in part, that the New York Attorney General was preempted from maintaining the suit. In its brief, NASAA argued that the action was not preempted, providing the court background on the historic enforcement authority of state



securities regulators and arguing that Congress preserved, not preempted, this authority in both NSMIA and SLUSA. In June 2016, the New York Court of Appeals unanimously affirmed the lower court's decision in *People v. Greenberg* and directed that the case proceed to trial. The court also confirmed that a permanent injunction under state antifraud statutes does not require proof of irreparable harm.

Merrill Lynch v. Manning: NASAA's amicus brief filed in the U.S. Supreme Court in *Merrill Lynch v. Manning* argued that the petitioners' interpretation of Section 27 of Securities Exchange Act of 1934 ignored traditional federal question jurisprudence, that the history and structure of the Exchange Act do not support the petitioners' reading of Section 27, and that the petitioners' interpretation of Section 27 would disrupt the balance between federal and state securities regulation struck by Congress. NASAA's brief was prepared with substantial assistance from the University of Virginia Law School's Supreme Court Litigation Clinic. In an 8-0 ruling, the Court held in May 2016 that Section 27 of the Exchange Act confers exclusive federal jurisdiction over suits "arising under" the Act and that this is identical to the general scope of federal question jurisdiction under 28 U.S.C. 1331. The Court allowed this private lawsuit to proceed in state court, rather than requiring that it be removed to federal court. The Court's decision was supportive of state law securities actions that are not otherwise preempted by the Securities Litigation Uniform Standards Act of 1998.

NASAA Overview: Investor Awareness

Investor Alerts & Advisories

NASAA members have earned a strong reputation for serving as an “early warning” system for the latest schemes and scams targeting unsuspecting investors. During the past year, NASAA issued five investor alerts or advisories to raise public awareness to issues of concern to state and provincial securities regulators, including:

- Pension Advance Scams,
- Third-party Asset Recovery Companies,
- Escheatment,
- EB-5 Investments, and
- The Next Big Thing



NASAA Top Investor Threats 2015-2016

In October, NASAA released the following list of the top financial products and practices that threaten to trap unwary investors as compiled by the securities regulators in NASAA’s Enforcement Section.

- 1 Unregistered products/unlicensed salesmen:** The offer of securities by an individual without a valid securities license should be a red alert for investors. Con artists try to bypass stringent state registration requirements to pitch unregistered investments, usually with the promise of no risk and high returns.
- 2 Promissory Notes:** Short-term notes that appear to be exempt from securities registration have been the source of most – but not all – of the fraudulent activity involving promissory notes identified by regulators.

- 3 Oil/Gas Investments:** Many oil and gas investment opportunities, while involving varying degrees of risks to the investor, are legitimate in their marketing and responsible in their operations. However, as in many other investment opportunities, it is not unusual for unscrupulous promoters to attempt to take advantage of investors by engaging in fraudulent practices.

- 4 Real Estate-related Investments:** Troublesome real estate-related investments identified by securities regulators included non-traded real estate investment trusts (REITs), timeshare resales, and brokered mortgage notes. Non-traded REITs, for example, can be risky and have limited liquidity, which may make them unsuitable for certain investors.

- 5 Ponzi Schemes:** The premise is simple: pay early investors with money raised from later investors. The only people certain to make money are the promoters who set the Ponzi in motion.

NASAA Overview: Training & Events

Training

NASAA continuously strives toward enhancing the skills, knowledge, and abilities of its members and staff through education. Throughout the year, the association has consistently assessed and implemented its learning development strategy: modern learning to meet modern challenges.

In addition to providing training seminars covering topics related to the effective regulation of broker-dealers and investment advisers, NASAA also offered comprehensive training to its members in the areas of enforcement, corporation finance and investor education. In 2016, NASAA also initiated a pilot project to expand the use of distance education to include a web-based curriculum for basic enforcement training.

Events

NASAA's two major conferences bring together the membership, regulators, industry representatives, policymakers, academics and the media to explore the latest developments in securities regulation and industry practices.

The NASAA membership convened in Washington, D.C., in April 2016 for NASAA's Spring Conference and Public Policy Conference under the theme: Enforcement and Deterrence in Today's Financial Markets. Chaired by Alaska Banking and Securities Division Director Kevin Anselm, the conference featured keynote speaker Sen. Susan Collins, chair of the Senate Special Committee on Aging. Panels focused on enforcement as an extension of public policy and the prosecutorial challenges of financial crime. The conference also featured a one-on-one interview with Catherine Christian, head of the Elder Abuse Unit of the Manhattan District Attorney's office.

Under the theme, Regulation for the Ages, the Annual Conference, was held in San Juan, Puerto Rico, in September 2015. Chaired by Damaris Mendoza, Director of Puerto Rico's Securities Regulation and Registration Division

and Joseph Borg, Director of the Alabama Securities Commission, the conference featured keynote speaker Arthur Levitt, former SEC chair, and financial author Chris Farrell. Panels focused on the financial expectations of various generations, the arc of financial regulation from the creation of the SEC to the launch of the Consumer Financial Protection Bureau, and the evolution of financial products and how they are sold. Highlights of both conferences are shown below.

Former SEC Chair Arthur Levitt: "Today, regulators are out of fashion. But sadly, we will come back into fashion when our work is needed – I suspect that moment will occur when the investing public is burned on those issues now being given an easy pass."



Then Broker-Dealer Section Chair Bryan Lantagne (left) and members of the Fee Working Group unveil a model fee disclosure schedule to help investors better understand and compare broker-dealer service & maintenance fees at NASAA's Annual Conference.

Panelists trace the arc of financial regulation from the creation of the SEC to the launch of the CFPB in a discussion led by New Jersey Securities Bureau Chief Laura Posner.



Spring Conference Chair Kevin Anselm (left) interviews Catherine Christian (right), head of the Elder Abuse Unit of the Manhattan District Attorney's office during a wide-ranging discussion of elder financial abuse and exploitation.

U.S. Senator Susan Collins (right), chair of the Senate Special Committee on Aging, delivers the keynote address at NASAA's Spring Conference.



NASAA Overview: Awards

Blue Sky Cube

William Beatty
Washington

Lynne Egan
Montana

Judith Shaw
Maine

The Blue Sky Cube, NASAA's highest honor, recognizes career achievement and distinguished contributions to securities regulation. It is named for Blue Sky Law, the umbrella term for state laws throughout the United States that regulate the offering and sale of securities. Kansas enacted the first Blue Sky Law in 1911 to protect investors from speculative schemes that, in the words of a judge of the period, had no more substance than so many feet of "blue sky."

Lifetime Achievement Award

Patricia Struck, Wisconsin

Patricia D. Struck Award

Ronak Patel, Texas

Outstanding Service Award

Kathryn Daniels, Ontario
Chad Johnson, New York
Owen Lefkon, Delaware
Eric Wilder, Connecticut

Meritorious Service Award

Victoria Reider, Pennsylvania

Outstanding Team Service Award

Enforcement Publications Project Group

T. Webster Brenner, Maryland
Karla Black, Maine
Judi Lahr, Missouri
Mike Quinn, Ohio
Sara Scribner, Texas

Outstanding Team Service Award

Elder Outreach Project Group

Bernice Geiger, New Mexico
Theresa Kong Kee, Hawaii
Kelly May, Kentucky
Anna Rushton, South Carolina
Jillian Sarmo, Colorado
Jennifer Shaw, Oklahoma
Kathleen Titsworth, Connecticut



NASAA President Judith Shaw presents the Lifetime Achievement Award to the family of Patricia Struck, former Wisconsin Securities Administrator and NASAA president.

NASAA Overview: Board of Directors 2015-2016

Judith Shaw

President
Maine Securities Administrator

Mike Rothman

President-elect
Minnesota Commissioner of Commerce

William Beatty

Past President
Washington Director of Securities

Gerald Rome

Treasurer
Colorado Securities Commissioner

Kathryn Daniels

Treasurer (*through April 2016*)
Ontario Securities Commission Deputy Director of Corporate Finance

Diana Foley

Secretary
Nevada Securities Administrator

Kevin Anselm

Director
Alaska Division of Banking and Securities Director

Joseph Borg

Director
Alabama Securities Commission Director

Kelly Gorman

Director
Ontario Securities Commission Deputy Director of Enforcement

Jack Herstein

Director (*through June 2016*)
Nebraska Department of Banking & Finance Bureau of Securities Assistant Director

John Morgan

Director
Texas Securities Commissioner

NASAA's Board of Directors is responsible for the association's planning and policy development.

The president and directors are elected annually from the ranks of the membership.

NASAA Overview: Board-level Committees

Awards

Craig Goettsch (IA), Chair
William Beatty (WA)
Jack Herstein (NE)
Andrea Seidt (OH)
Lonnie Martin, NASAA Liaison
Robert Webster, NASAA Liaison

Capital Formation

William Beatty (WA), Chair
Faith Anderson (WA)
Melissa Gable (NY)
Jo-Anne Matear (ON)
Michael Pieciak (VT)
Michael Rothman (MN)
Judith Shaw (ME)

CRD/IARD Forms and Process

Anne Followell (OH), Chair
Rodney Griess (NE), Vice-Chair
Jack Horne (CT)
Pamela Kirkland (SC)
Susan Largman (NJ)
Lyna Vo (WA)
A. Valerie Mirko, NASAA Liaison

CRD/IARD Steering

Melanie Senter Lubin (MD), Chair
Pamela Epting (FL), Vice-Chair
Anne Followell (OH)
Andrew Hartnett (MO)
Andrea Seidt (OH)
A. Valerie Mirko, NASAA Liaison

Cybersecurity

Andrew Hartnett (MO), Chair
Mike Rothman (MN), Vice-Chair
William Beatty (WA)
Joseph Borg (AL)
Joseph Brady (NASAA), Liaison
A. Valerie Mirko, NASAA Liaison
Michael Canning, NASAA Liaison

Electronic Filing Depository Steering

Jack Herstein (NE), Chair
Faith Anderson (WA)
Diane Ridley Gatewood (NY)
Susan Largman (NJ)
Melanie Senter Lubin (MD)
Meredith (Paige) Turney (ME)
Jason Wolf, NASAA Liaison

NASAA Exams Advisory

William Cahill (MA), Co-Chair
Michael Youngberg (SD), Co-Chair
Larry Ellison (IA)
Rosemary Gonzalez (NJ)
Edward Moran (ME)
Kjersti Stroup (WA)
Jill Vallely (WA)
Christopher Staley, NASAA Liaison

Federal Legislation

Andrew Hartnett (MO), Chair
William Beatty (WA)
Richard Blackwell (OR)
Kimiko Butcher (MA)
Melissa Gable (NY)
William Green, Jr. (DE)
Jeremy Jones (GA)
Melanie Senter Lubin (MD)
Gerald Rome (CO)
Mike Canning, NASAA Liaison
Anya Coverman, NASAA Liaison

Finance and Audit

Clyde Hartman (DE)
Chritina Mallard (CO)

International

Kevin Hoyt (NB), Chair
Sharon Kelly (QC)
Walter McDonough (MA)
Ethel Ramirez (MX)
Joseph Brady, NASAA Liaison

Legal Services

Gerald Rome (CO), Chair
Joseph Borg (AL)
Scott Lane (PA)
Tanya Solov (IL)
Gregory Strong (DE)
A. Valerie Mirko, NASAA Liaison
Christopher Staley, NASAA Liaison
Zachary Knepper, NASAA Liaison

Member Services

Keith Woodwell (UT), Chair
Joseph Borg (AL)
Lynne Egan (CA)
Alex Glass (IN)
Barry Glennon (NH)
Lisa Hopkins (WV)
Theodore Miles (DC)

Multi-Jurisdictional Matters

Michael Rothman (MN), Chair
Diana Foley (NV), Vice-Chair
Andrew Hartnett (MO)
Ronak Patel (TX)
Laura Posner (NJ)
Gerald Rome (CO)

NEMO Training and Support

Michael Huggs (MS), Chair
Addy Asoro (TX)
Sarah Bartell (MI)
Jennifer Gooden (WA)
Jennifer Henley (MO)
Amber Murphy (WV)
Lyna Vo (WA)
Jason Wolf, NASAA Liaison

Senior Issues/Diminished Capacity

Lynne Egan (MT), Chair
Carolyn Mendelson (PA), Vice-Chair
Joseph Borg (AL)
Dennis Britson (IA)
Diana Foley (NV)
Bernice Geiger (NM)
Barry Glennon (NH)
Andrew Hartnett (MO)
Melanie Senter Lubin (MD)
Theodore Miles (DC)
Susan Powell (NB)
Gerald Rome (CO)
Mike Rothman (MN)
Judith Shaw (ME)
Diane Young-Spitzer (MA)
Joseph Brady, NASAA Liaison

SRO Liaison

Andrea Seidt (OH), Chair
Jim Burns (ID)
Pamela Epting (FL)
Melanie Lubin Senter (MD)
Keith Woodwell (UT)

Standardized Training and Technology

Ann Rankin (VA), Chair
Shonita Bossier (KY)
Dennis Britson (IA)
Steven Cava (VA)
Martin Cordell (WA)
Kathryn Daniels (ON)
Brian Edstrom (MN)
Susan Edwards (OK)
Denise Walker (WV)
Lonnie Martin, NASAA Liaison
Jason Wolf, NASAA Liaison

State Legislation

Joseph Borg (AL), Chair
Faith Anderson (WA)
Karla Black (ME)
Richard Blackwell (OR)
Frank Borger-Gilligan (TN)
Kimiko Butcher (MA)
Alex Glass (IN)
Ryan Kriegshauser (KS)
Cheryn Netz (MS)
Elizabeth Zerr (MO)
Anya Coverman, NASAA Liaison
Michael Canning, NASAA Liaison

Technology

Diana Foley (NV), Chair
Andrew Hartnett (MO), Vice-Chair
Mike Huggs (MS)
Melanie Lubin Senter (MD)
Laura Posner (NJ)
Jake van der Laan (NB)
Joseph Brady, NASAA Liaison
A. Valerie Mirko, NASAA Liaison

Uniform Securities Act

Craig Goettsch (IA), Chair
Joseph Brady, NASAA Liaison

NASAA Overview: Sections

Broker-Dealer

Overview

The point-of-sale contact that broker-dealers have with investors makes the work of NASAA's Broker-Dealer Section and its Project Groups critical to achieving NASAA's investor protection mission. The section focuses on issues involving broker-dealers and agents, including arbitration, fee disclosure, qualification and licensing requirements, compliance matters and continuing education. The section oversees the work of six project groups, including Arbitration, Continuing Education, Investment Products and Services, Market and Regulatory Policy and Review, Operations and Variable Annuities.

2015-2016

Section Committee

Andrew Hartnett (MO), Chair
Pamela Epting (FL), Vice-Chair
Frank Borger-Gilligan (TN)
Carol Anne Foehl (MA)
Brett O'Neil (MT)
Chris Besko (MB) *Canadian Liaison*
Christopher Staley *NASAA Liaison*

Project Groups

Arbitration

Leslie Van Buskirk (WI), Chair
Jeff Kruske (KS)
Anthony Leone (MA)
John Phillips (MO)
Joseph Punturo (NY)
Edwin L. Reed (AL)
Rhonda Reeves (LA)

Continuing Education

Linda Bailey (TX), Chair
William Carrigan (VT)
Deborah Fabritz (WI)
Diane Ridley Gatewood (NY)
Jamica Johnson (MO)

Investment Products & Services

Deborah Fabritz (WI), Chair
Terra Bonnell (OK)
Duke Browne (TX)
Anna Dennis (KY)
Kyle Evans (OH)
William Littrell (MO)
Kristi Montano (NM)
Delfin Rodriguez (NJ)

Market & Regulatory Policy & Review

Carolyn Mendelson (PA), Chair
Claire McHenry (DC), Vice-Chair
Elyse Boyle (MA)
Scott Haggmark (NJ)
Charles Lyons (UT)
Tyler McCormick (MO)
Kristen Standifer (WA)
Annastasia Valencia (CO)

Operations

Amber Crouch (AR), Co-Chair
Ronak Patel (TX), Co-Chair
Dixie Baxley (MO)
Peter Cole (NJ)
Lee Kell (FL)
Klem Klementon (CT)
Judi Lahr (MO)
Ricky Locklar (AL)
Kjersti Stroup (WA)
Marc Voltz (CO)
Ian Weschler (SC)

Variable Annuities

Mark Kissler (WA), Chair
Lynda Kammeier (MO)
Trevor Krivoshein (OR)
Mark Murray (MT)

Corporation Finance

Overview

NASAA members have long helped facilitate capital formation at the state and local level. NASAA members assist entrepreneurs with their business plans and help them obtain resources to grow their enterprises and create local jobs. The Corporation Finance Section also develops and monitors policies for the registration of securities under state law. The Section oversees the activities of five Project Groups: Business Organizations & Accounting, Corporation Finance Policy, Direct Participation Programs Policy, Franchise and Business Opportunities, and Small Business/Limited Offerings.

2015-2016

Section Committee

Michael Pieciak (VT), Chair
Peter Cassidy (MA), Vice-Chair
Faith Anderson (WA)
Mark Heurman (OH)
Jeff Soderstedt (PA)
Jo-Anne Matear (ON)
Canadian Liaison
Anya Coverman, NASAA Liaison
Mark Stewart, NASAA Liaison

2015-2016 Project Groups

Business Organizations & Accounting

Dan Matthews (WA), Chair
Matthew Gendron (RI)
James Liddell (ME)
Sandra Smith (AL)
Joy Sakamoto-Wengel (MD)
Brett Warren (PA)

Corporation Finance Policy

Dennis Britson (IA), Chair
George Adu (DC)
Jared Ertle (CO)
Leslie Rose (BC)
Christopher Smith (VT)
Jill Vallely (WA)
Kaycee Wolf (TN)

Direct Participation Programs Policy

Mark Heurman (OH), Chair
Tim Adams (AL)
Cambria Baish (PA)
Jamie Black (PA)
Stephanie Cipolla (MA)
Nona Lane (NM)
Dan Matthews (WA)
Delfin Rodriguez (NJ)
Joy Sakamoto-Wengel (MD)

Franchise & Business Opportunities

Dale Cantone (MD), Chair
Martin Cordell (WA)
Timothy O'Brien (VA)
Joseph Punturo (NY)
Nathan Quigley (WA)
Jason Simmons (RI)
Henry Tanji (HI)

Small Business/Limited Offerings

Faith Anderson (WA), Chair
Jo-Anne Matear (ON)
Tyler Purinton (VT)
Christopher Smith (VT)
Brett Warren (PA)
Michelle Webster (WA)
Kaycee Wolf (TN)

NASAA Overview: Sections

Enforcement

Overview

NASAA members have a significant history in bringing enforcement actions, including criminal prosecutions. NASAA assists its members in coordinating enforcement efforts regarding multi-state matters by facilitating the sharing of information and leveraging the resources of the membership efficiently. NASAA's Enforcement Section acts as a point of contact for federal agencies and self-regulatory organizations and helps identify new fraud trends. The section also produces NASAA's annual Enforcement Report and list of top investor threats. The Section oversees the activities of six project groups, including Enforcement Publications, Enforcement Technology, Enforcement Training, Exempt Offerings Investigations, Litigation Forum, and Enforcement Zones.

2015-2016

Section Committee

Laura Posner (NJ), Chair
Joseph Rotunda (TX), Vice-Chair
Patrick Ahearn (MA)
Jesse Devine (NY)
Gregory Strong (DE)
Jason Roy (MB) Canadian Liaison
A. Valerie Mirko, NASAA Liaison
Christopher Staley, NASAA Liaison

2015-2016 Project Groups

Enforcement Publications

T. Webster Brenner (MD), Chair
Karla Black (ME)
Eric Forcier (TX)
Theresa Hendricks (NJ)
Judi Lahr (MO)
Holly Mack-Kretzler (WA)
Michael Quinn (OH)

Enforcement Technology

Jake van der Laan (NB), Chair
Rodney Griess (NE), Vice-Chair
Jeremy Bolf (TX)
Jeremy Entwistle (MA)
Taylor Faw (SC)
Devin Heier (MS)
Janice Hitzeman (OH)
Adrian LaRochelle (NH)
Kim Lewis (AL)
Shawn Pruett (NC)
Jason Wolf (NASAA) Liaison

Enforcement Training

Tracy Meyers (SC), Co-Chair
Jeffrey Spill (NH), Co-Chair
Gary Adkins (KY)
Rudolph Bassman (NJ)
Scott Lane (PA)
Karen Manarin (ON)
Christopher Mann (KS)
Frank Panepinto (LA)
Heidi Schedler (NS)
Adam Sweet (UT)

Exempt Offerings Investigations

Harvey McCleskey (OH), Chair
Michael Cameron (NE)
Jordan Crapps (SC)
Brian Edstrom (MN)
Kelsey Heaton (TX)
Eric Palosaari (WA)
Allan Russ (NC)
Vincent Smith (WV)
Kirk Wallace (CA)

Litigation Forum

Don Young (AB), Chair
Gary Adkins (KY)
Michael Cameron (NE)
Zesely Haislip (NC)
Janice Hitzeman (OH)
Travis Iles (TX)
Matthew Kestian (IN)
Jillian Lazar (DE)
Anthony Leone (MA)
Ryan Millicam (AZ)
Amanda Senn (AL)
Cameron Watson (ON)

Enforcement Zones

Matthew Leslie (TX), Chair
Northeast: Eric Forcier (NH)
Southeast: Taylor Faw (SC)
Mid-Atlantic: Ann Rankin (VA)
Central: Roger Patrick (OH)
South/Central: Matthew Leslie (TX)
Mountain: Rhea Babcock (CO)
Western: Jack McClellan (WA)
Canadian: Steve Dowling (PE)

Investment Adviser

Overview

NASAA's Investment Adviser Section develops policies and monitors state registration and regulation of firms and professionals in the investment advisory business. The Section also develops uniform policies for ethical business practices and model rules to enforce the investment advisory provisions of state law. The Section oversees the activities of the following project groups: Special Project Exam Support, IA Continuing Education, IA Cybersecurity and Technology, IA Operations, IA Regulatory Policy and Review, IA Resources and Publications, IA Training, and IA Zones. The section also works closely with the CRD/IARD Steering Committee.

2015-2016

Section Committee

Lisa Hopkins (WV), Chair
Linda Cena (MI), Vice-chair
Shonita Bossier (KY)
Ronak Patel (TX)
Noula Zaharis (GA)
Susan Pawelek (ON) Liaison
Ethel Ramirez (MX) Liaison
A. Valerie Mirko, NASAA Liaison
Zachary Knepper, NASAA Liaison

2015-2016

Project Groups

Special Project Exam Support

David Swafford (CO)

IA Continuing Education

Shonita Bossier (KY), Co-Chair
Linda Cena (MI), Co-Chair
William Cahill (MA)
William Carrigan (VT)
Craig Goettsch (IA)
John Harth (CO)
Melanie Senter Lubin (MD)
Andrea Seidt (OH)
Noula Zaharis (GA)
A. Valerie Mirko, NASAA Liaison

IA Cybersecurity & Technology

Andrew Hartnett (MO), Chair
Annette Minor (MN), Vice-Chair
Matthew Fink (NV)
Catherine Jones (NE)
Amber Nicklow (PA)
Estefania Salomon (MA)
Jason Vinsonhaler (KS)
A. Valerie Mirko, NASAA Liaison

IA Operations

Michael Huggs (MS), Chair
Mark Eisenmann (WI)
Larry Ellison (IA)
Alisa Goldberg (FL)
Elizabeth Guido (NC)
Joanne Jones (WA)
Brett Radetsky (CO)

IA Regulatory Policy & Review

Elizabeth Smith (WA), Chair
Simon Berry (KY)
Stephen Bouchard (NJ)
John Harth (CO)
Kevin Moquin (NH)
Nicholas Ordway (MA)
Suzanne Sarason (WA)
David Smith (AR)

IA Resources & Publications


Jamica Johnson (MO), Chair
Edward Hannsz (AZ)
Allan Russ (NC)

IA Training

William Carrigan (VT), Co-Chair
Clinton Edgar (TX), Co-Chair
Ryan Anderson (WY)
Jacqui Ferderer (ND)
Jennifer Henley (MO)
Christine Pottie (NS)
Lindsey Rankin (KY)
Lindy Streit (AR)
Denise Walker (WV)
Levin Walker (LA)
Jackie Walter (NE)

IA Zones

Oscar Gonzalez (TX), Chair
Northeast: Erick Cipau (MA)
Mid-Atlantic: Rebecca Collins (PA)
Central: William Pultinas (OH)
South/Central: Tommy Green (TX)
Mountain: Veronica Rodriguez (CO)
Western: Sharlea Taft (NV)
Canadian: Susan Pawelek (ON)



NASAA Overview: Sections

Investor Education

Overview

The Investor Education Section provides resources to help increase awareness of frauds and to build sound financial habits. Recognizing that education is a key weapon in the fight against investment fraud, the NASAA Investor Education Section was created in 1997 by the NASAA Board of Directors to help support the financial education efforts of the membership. The Section oversees the activities of four Project Groups: Alerts & Advisories, Elder Outreach, Life Stages, and Online Outreach & Social Media.

2015-2016

Section Committee

Lynne Egan (MT), Chair
Diane Young-Spitzer (MA),
Vice-Chair
Bernice Geiger (NM)
Tina Kotsalos (PA)
Marissa Sollows (NB)
Micaela Coleman, NASAA Liaison

2015-2016 Project Groups

Alerts and Advisories

Diane Young-Spitzer (MA), Chair
Diane Childs (OR)
Lindsay Fedler (WI)
Marni Rock Gibson (KY)
Ken Gracey (BC)
John Maron (NC)
Mary Ann Smith (CA)

Elder Outreach

Bernice Geiger (NM), Chair
Theresa Kong Kee (HI)
Kelly May (KY)
Anna Rushton (SC)
Jillian Sarmo (CO)
Jennifer Shaw (OK)
Kathleen Titsworth (CT)

Life Stages

Tina Kotsalos (PA), Chair
Amanda Blanks (VA)
Kelly Igloe (OH)
Dan Lord (AL)
Lyn Peters (WA)
Kimberly Ryan (NL)
Shannon Stone (KS)
Lauren Strinden (ND)

Online Outreach & Social Media

Marissa Sollows (NB), Chair
Jessica Chillingworth (HI)
Kelly Griese (IN)
Kevan Hannah (ON)
Julia Miller (NM)
Justin Southern (WV)
Tanya Wiltshire (NS)

NASAA Overview: Members

UNITED STATES

Alabama Securities Commission

Alaska Division of Banking and Securities

Arizona Corporation Commission, Securities Division

Arkansas Securities Department

California Department of Business Oversight

Colorado Division of Securities

Connecticut Department of Banking
Securities and Business Investments Division

Delaware Department of Justice
Investor Protection Unit

District of Columbia Department of Insurance, Securities
and Banking Securities Bureau

Florida Office of Financial Regulation

Georgia Office of the Secretary of State
Securities & Charities Division

Hawaii Department of Commerce & Consumer Affairs

Idaho Department of Finance

Illinois Office of the Secretary of State
Securities Department

Indiana Office of the Secretary of State
Securities Division

Iowa Insurance Division, Securities Bureau

Kansas Office of the Securities Commissioner

Kentucky Department of Financial Institutions

Louisiana Securities Commission

Maine Department of Professional & Financial Regulation
Office of Securities

Maryland Office of the Attorney General
Division of Securities

Massachusetts Securities Division

Michigan Department of Licensing and Regulatory Affairs
Corporation, Securities and Commercial Licensing Bureau

Minnesota Department of Commerce

Mississippi Office of the Secretary of State
Securities Division

Missouri Office of the Secretary of State
Securities Division

Montana State Auditor's Office
Securities Department

Nebraska Department of Banking & Finance
Bureau of Securities

Nevada Secretary of State
Securities Division

New Hampshire Department of State
Bureau of Securities Regulation

New Jersey Office of the Attorney General
Bureau of Securities

New Mexico Regulation & Licensing Department
Securities Division

New York Office of the Attorney General
Investor Protection Bureau

North Carolina Department of the Secretary of State
Securities Division

North Dakota Securities Department

Ohio Division of Securities

Oklahoma Securities Commission

Oregon Dept. of Consumer & Business Services
Division of Financial Regulation

Pennsylvania Department of Banking and Securities

Puerto Rico Commissioner of Financial Institutions

Rhode Island Department of Business Regulation

South Carolina Office of the Attorney General
Securities Division

South Dakota Department of Labor and Regulation
Division of Securities

Tennessee Department of Commerce & Insurance
Securities Division

Texas State Securities Board

U.S. Virgin Islands Office of the Lt. Governor
Division of Banking and Insurance

Utah Department of Commerce
Division of Securities

Vermont Department of Financial Regulation

Virginia State Corporation Commission
Division of Securities & Retail Franchising

Washington Department of Financial Institutions
Securities Division

West Virginia Office of the State Auditor
Securities Commission

Wisconsin Department of Financial Institutions
Division of Securities

Wyoming Secretary of State
Compliance Division

CANADA

Alberta Securities Commission

British Columbia Securities Commission

Manitoba Securities Commission

New Brunswick Financial and Consumer Services
Commission

Newfoundland and Labrador Financial Services
Regulation Division

Northwest Territories Office of the Superintendent
of Securities

Nova Scotia Securities Commission

Nunavut Office of Superintendent of Securities

Ontario Securities Commission

Prince Edward Island Department of Environment,
Labour and Justice

Quebec Autorité des marchés financiers

Financial and Consumer Affairs Authority of
Saskatchewan

Yukon Department of Community Services
Office of the Yukon Superintendent of Securities

MEXICO

Mexico Comisión Nacional Bancaria y de Valores

NASAA Overview: Corporate Office Staff

The daily operations of the association are managed by an executive director and a professional staff located in Washington, D.C. NASAA departments include legal, finance, government affairs, communications and investor education, and membership services.

Executive & Administrative Office

Joseph Brady
Executive Director

Jennifer Marsoni
Executive Assistant / Office Manager
Benefits Coordinator

Kaprina Robinson
Membership Services & Finance Manager

Josephine Oundo
Receptionist

Legal

A. Valerie Mirko
General Counsel

Zachary Knepper
Deputy General Counsel

Christopher Staley
Counsel

Mark Stewart
Counsel

Faye Gordon
Paralegal

Government Affairs

Michael Canning
Director of Policy

Anya Coverman
Deputy Director of Policy
& Associate General Counsel

David Carpenter
Government Affairs Assistant

Communications & Investor Education

Bob Webster
Director of Communications

Micaela Coleman
Assistant Manager of Communications
& Investor Education

Conferences & Events

Lonnie Martin
Associate Director of Membership
& Meetings

Robin Guyse
Membership and Meetings Coordinator

Training & Technology

Jason Wolf
Training and Technology Manager



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