

May 14, 2010

TO THE MEMBERS OF THE UNITED STATES SENATE:

The undersigned organizations, which represent issuers and investors of all sizes and from every sector of the American economy that rely on the federal regulatory framework governing private placement offerings to meet their capital raising and investment objectives, strongly support amendment 4037, which would address significant concerns with sections 926 and 412 of S. 3217, the “Restoring American Financial Stability Act of 2010.”

The amendment would help ensure that the legislation strikes the proper balance between preserving efficient access to capital for entrepreneurs and improving investor protections.

As currently crafted, sections 926 and 412 would significantly harm the ability of companies to raise capital and expand their enterprises through private placements pursuant to Rule 506 of Regulation D (Reg D) of the Securities Act of 1933. These provisions would greatly reduce the number of accredited investors and create unworkable regulations for entrepreneurs and established businesses raising capital.

We urge strong support and swift passage of this amendment. Thank you for your consideration of our concerns and willingness to work on a bi-partisan basis with businesses, investors, and regulators to improve this important component of the broader regulatory reform package.

Sincerely,

The Financial Services Roundtable
Investment Program Association
National Association of Real Estate Investment Trusts
Private Equity Council
Real Estate Investment Securities Association
The Real Estate Roundtable
Securities Industry and Financial Markets Association
U.S. Chamber of Commerce