



NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.

750 First Street N.E., Suite 1140
Washington, D.C. 20002
202-737-0900
Fax: 202-783-3571
www.nasaa.org

March 28, 2019

The Honorable Bill Huizenga
United States Representative
2232 Rayburn HOB
Washington, DC 20515

Re: Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification Act of 2019
(H.R. 609)

Dear Congressman Huizenga:

On behalf of the North American Securities Administrators Association (NASAA),¹ I am writing to express strong support for H.R. 609, the “Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification Act of 2019.”

The Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification Act would establish an exemption from registration requirements under federal securities laws for persons serving as brokers in certain merger and acquisition deals (“M&A brokers”). The exemption envisioned by your legislation is consistent with a Model Exemption that NASAA approved in 2016, and broadly consistent with the de-facto federal policy that has existed since the issuance of a “no-action” letter by the Staff of U.S. Securities and Exchange Commission in on Feb. 4, 2014.²

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 certain conditions.³ Moreover, we believe H.R. 609 appropriately balances the legitimate interests of all stakeholders, while maintaining significant safeguards for investors and small business owners. NASAA supports the bill, and we look forward to working with you and other members of the House to facilitate its consideration and passage.

Thank you for your consideration of NASAA’s views. Please do not hesitate to contact me, or Michael Canning, NASAA Director of Policy & Government Affairs, at (202) 737-0900, if we may be of any additional assistance.

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.

² Electronic copies of the No-Action Letter and the request letter to which it responded are available at: <https://www.sec.gov/divisions/marketreg/mr-noaction/2014/ma-brokers-013114.pdf>.

³ These conditions include: (1) the disqualification from the exemption of any broker or associated person who is a “bad actor,” or subject to suspension or revocation of registration; and (2) the inapplicability of the exemption to any M&A transaction where one party or more is a shell company.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael S. Pieciak". The signature is fluid and cursive, with a large initial "M" and a long, sweeping tail.

Michael S. Pieciak
NASAA President
Commissioner, Vermont Department of Financial Regulation