

AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 2187
OFFERED BY MR. SCHWEIKERT

Strike all after the enacting clause and insert the following:

1 SECTION 1. DEFINITION OF ACCREDITED INVESTOR.

2 Section 2(a)(15) of the Securities Act of 1933 (15
3 U.S.C. 77b(a)(15) is amended—

4 (1) by redesignating clauses (i) and (ii) as sub-
5 paragraphs (A) and (F), respectively;

6 (2) in subparagraph (A) (as so redesignated),
7 by striking “; or” and inserting a semicolon, and in-
8 serting after such subparagraph the following:

9 “(B) any natural person whose individual
10 net worth, or joint net worth with that person’s
11 spouse, exceeds \$1,000,000, where, for purposes
12 of calculating net worth under this subpara-
13 graph—

14 “(i) the person’s primary residence
15 shall not be included as an asset;

16 “(ii) indebtedness that is secured by
17 the person’s primary residence, up to the
18 estimated fair market value of the primary

1 residence at the time of the sale of securi-
2 ties, shall not be included as a liability (ex-
3 cept that if the amount of such indebted-
4 ness outstanding at the time of sale of se-
5 curities exceeds the amount outstanding 60
6 days before such time, other than as a re-
7 sult of the acquisition of the primary resi-
8 dence, the amount of such excess shall be
9 included as a liability); and

10 “(iii) indebtedness that is secured by
11 the person’s primary residence in excess of
12 the estimated fair market value of the pri-
13 mary residence at the time of the sale of
14 securities shall be included as a liability;

15 “(C) any natural person who had an indi-
16 vidual income in excess of \$200,000 in each of
17 the two most recent years or joint income with
18 that person’s spouse in excess of \$300,000 in
19 each of those years and has a reasonable expec-
20 tation of reaching the same income level in the
21 current year;

22 “(D) any natural person who is currently
23 licensed or registered as a broker or investment
24 adviser by the Commission, the Financial In-
25 dustry Regulatory Authority, or an equivalent

1 self-regulatory organization (as defined in sec-
2 tion 3(a)(26) of the Securities Exchange Act of
3 1934), or the securities division of a State or
4 the equivalent State division responsible for li-
5 censing or registration of individuals in connec-
6 tion with securities activities;

7 “(E) any natural person the Commission
8 determines, by regulation, to have demonstrable
9 education or job experience to qualify such per-
10 son as having professional knowledge of a sub-
11 ject related to a particular investment, and
12 whose education or job experience is verified by
13 the Financial Industry Regulatory Authority or
14 an equivalent self-regulatory organization (as
15 defined in section 3(a)(26) of the Securities Ex-
16 change Act of 1934); or”.



**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 2187
OFFERED BY MS.WATERS**

Page 1, line 11 of the amendment, insert “(which amount, along with the amounts set forth in subparagraph (C), shall be adjusted for inflation by the Commission every five years to the nearest \$10,000 to reflect the change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics)” after “\$1,000,000”.

