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(Original Signature of Member)

119TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To amend the Securities Act of 1933 to codify certain qualifications of individuals as accredited investors for purposes of the securities laws.

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IN THE HOUSE OF REPRESENTATIVES

Mr. HILL of Arkansas introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To amend the Securities Act of 1933 to codify certain qualifications of individuals as accredited investors for purposes of the securities laws.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Fair Investment Op-  
5 portunities for Professional Experts Act”.

6 **SEC. 2. DEFINITION OF ACCREDITED INVESTOR.**

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

1           (1) by redesignating subparagraphs (i) and (ii)  
2           as subparagraphs (A) and (F), respectively; and

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

6                   “(B) with respect to a proposed sale of a  
7                   security, any natural person whose individual  
8                   net worth, or joint net worth with that person’s  
9                   spouse or spousal equivalent, at the time of  
10                  such sale, exceeds \$1,000,000 (which amount,  
11                  along with the amounts set forth in subpara-  
12                  graph (C), shall be adjusted for inflation by the  
13                  Commission every 5 years to the nearest  
14                  \$10,000 to reflect the change in the Consumer  
15                  Price Index for All Urban Consumers published  
16                  by the Bureau of Labor Statistics) where, for  
17                  purposes of calculating net worth under this  
18                  subparagraph—

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

21                           “(ii) indebtedness that is secured by  
22                           the person’s primary residence, up to the  
23                           estimated fair market value of the primary  
24                           residence at the time of such sale, shall not  
25                           be included as a liability (except that if the

1 amount of such indebtedness outstanding  
2 at the time of such sale exceeds the  
3 amount outstanding 60 days before such  
4 time, other than as a result of the acquisi-  
5 tion of the primary residence, the amount  
6 of such excess shall be included as a liabil-  
7 ity); and

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

13 “(C) any natural person who had an indi-  
14 vidual income in excess of \$200,000 in each of  
15 the 2 most recent years or joint income with  
16 that person’s spouse or spousal equivalent in  
17 excess of \$300,000 in each of those years and  
18 has a reasonable expectation of reaching the  
19 same income level in the current year;

20 “(D) any natural person who is—

21 “(i) currently licensed or registered as  
22 a broker or investment adviser by the  
23 Commission, a self-regulatory organization  
24 (as defined in section 3(a)(26) of the Secu-  
25 rities Exchange Act of 1934), or the secu-

1                   rities division of a State, the District of  
2                   Columbia, or a territory of the United  
3                   States or the equivalent division respon-  
4                   sible for licensing or registration of individ-  
5                   uals in connection with securities activities;  
6                   and

7                   “(ii) in good standing with respect to  
8                   such licence or registration;

9                   “(E) any natural person the Commission  
10                  determines, by regulation, to have demonstrable  
11                  education or job experience to qualify such per-  
12                  son as having professional knowledge of a sub-  
13                  ject related to a particular investment, and  
14                  whose education or job experience is verified by  
15                  a self-regulatory organization (as defined in sec-  
16                  tion 3(a)(26) of the Securities Exchange Act of  
17                  1934); or”.

18                  (b) RULEMAKING.—Not later than 180 days after the  
19                  date of enactment of this Act, the Securities and Ex-  
20                  change Commission shall revise the definition of accred-  
21                  ited investor under Regulation D (17 CFR 230.500 et  
22                  seq.) to conform with the amendments made by subsection  
23                  (a).