

**[DISCUSSION DRAFT]**

119<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

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

To amend the definition of an accredited investor to include individuals receiving advice from certain professionals, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

M\_\_\_\_, \_\_\_\_\_ introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the definition of an accredited investor to include individuals receiving advice from certain professionals, and for other purposes.

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. ACCREDITED INVESTORS INCLUDE INDIVID-**  
4                               **UALS RECEIVING ADVICE FROM CERTAIN**  
5                               **PROFESSIONALS.**

6       (a) SECURITIES ACT OF 1933.—Section 2(a)(15) of  
7 the Securities Act of 1933 (15 U.S.C. 77b(a)(15)) is  
8 amended—

1 (1) by striking “(15) The term ‘accredited in-  
2 vestor’ shall mean—” and inserting the following:

3 “(15) ACCREDITED INVESTOR.—

4 “(A) IN GENERAL.—The term ‘accredited  
5 investor’ means—”;

6 (2) in clause (i), by striking “or” at the end;

7 (3) in clause (ii), by striking the period at the  
8 end and inserting “; or”;

9 (4) by adjusting the indentation of clauses (i)  
10 and (ii) by moving such clauses 2 ems to the right;  
11 and

12 (5) by adding at the end the following:

13 “(iii) any individual receiving individ-  
14 ualized investment advice or individualized  
15 investment recommendations with respect  
16 to the applicable transaction from an indi-  
17 vidual described under section  
18 230.501(a)(10) of title 17, Code of Federal  
19 Regulations.

20 “(B) DEFINITIONS.—In subparagraph  
21 (A)(iii):

22 “(i) INVESTMENT ADVICE.—The term  
23 ‘investment advice’ shall be interpreted  
24 consistently with the interpretation of the  
25 phrase ‘engages in the business of advising

1 others, either directly or through publica-  
2 tions or writings, as to the value of securi-  
3 ties or as to the advisability of investing in,  
4 purchasing, or selling securities' under sec-  
5 tion 202(a)(11) of the Investment Advisers  
6 Act of 1940 (15 U.S.C. 80b-2(a)(11)).

7 “(ii) INVESTMENT RECOMMENDA-  
8 TION.—The term ‘investment recommenda-  
9 tion’ shall be interpreted consistently with  
10 the interpretation of the term ‘rec-  
11 ommendation’ under section 240.15l-1 of  
12 title 17, Code of Federal Regulations.”.

13 (b) CONFORMING CHANGES TO REGULATIONS.—The  
14 Securities and Exchange Commission shall revise section  
15 230.501(a) of title 17, Code of Federal Regulations, and  
16 any other definition of “accredited investor” in a rule of  
17 the Commission in the same manner as such definition  
18 is revised under subsection (a).