

**AMENDMENT TO H.R. 5485, AS REPORTED  
OFFERED BY MR. SCHWEIKERT OF ARIZONA**

At the end of title XII (before the short title) insert  
the following:

1           DEFINITION OF ACCREDITED INVESTOR

2           SEC. 1202. Section 2(a)(15) of the Securities Act of  
3 1933 (15 U.S.C. 77b(a)(15) is amended—

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

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 (which amount,  
12 along with the amounts set forth in subpara-  
13 graph (C), shall be adjusted for inflation by the  
14 Commission every 5 years to the nearest  
15 \$10,000 to reflect the change in the Consumer  
16 Price Index for All Urban Consumers published  
17 by the Bureau of Labor Statistics) where, for  
18 purposes of calculating net worth under this  
19 subparagraph—

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

3           “(ii) indebtedness that is secured by  
4 the person’s primary residence, up to the  
5 estimated fair market value of the primary  
6 residence at the time of the sale of securi-  
7 ties, shall not be included as a liability (ex-  
8 cept that if the amount of such indebted-  
9 ness outstanding at the time of sale of se-  
10 curities exceeds the amount outstanding 60  
11 days before such time, other than as a re-  
12 sult of the acquisition of the primary resi-  
13 dence, the amount of such excess shall be  
14 included as a liability); and

15           “(iii) indebtedness that is secured by  
16 the person’s primary residence in excess of  
17 the estimated fair market value of the pri-  
18 mary residence at the time of the sale of  
19 securities shall be included as a liability;

20           “(C) any natural person who had an indi-  
21 vidual income in excess of \$200,000 in each of  
22 the 2 most recent years or joint income with  
23 that person’s spouse in excess of \$300,000 in  
24 each of those years and has a reasonable expect-

1           tation of reaching the same income level in the  
2           current year;

3           “(D) any natural person who is currently  
4           licensed or registered as a broker or investment  
5           adviser by the Commission, the Financial In-  
6           dustry Regulatory Authority, or an equivalent  
7           self-regulatory organization (as defined in sec-  
8           tion 3(a)(26) of the Securities Exchange Act of  
9           1934), or the securities division of a State or  
10          the equivalent State division responsible for li-  
11          censing or registration of individuals in connec-  
12          tion with securities activities;

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

