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:

DEFINITION OF ACCREDITED INVESTOR

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

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

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

“(B) any natural person whose individual
net worth, or joint net worth with that person’s
spouse, exceeds $1,000,000 (which amount,
along with the amounts set forth in subpara-
graph (C), shall be adjusted for inflation by the
Commission every 5 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) where, for
purposes of calculating net worth under this
subparagraph—
“(i) the person’s primary residence shall not be included as an asset;

“(ii) indebtedness that is secured by the person’s primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and

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

“(C) any natural person who had an individual income in excess of $200,000 in each of the 2 most recent years or joint income with that person’s spouse in excess of $300,000 in each of those years and has a reasonable expec-
tation of reaching the same income level in the current year;

“(D) any natural person who is currently licensed or registered as a broker or investment adviser by the Commission, the Financial Industry Regulatory Authority, or an equivalent self-regulatory organization (as defined in section 3(a)(26) of the Securities Exchange Act of 1934), or the securities division of a State or the equivalent State division responsible for licensing or registration of individuals in connection with securities activities;

“(E) any natural person the Commission determines, by regulation, to have demonstrable education or job experience to qualify such person as having professional knowledge of a subject related to a particular investment, and whose education or job experience is verified by the Financial Industry Regulatory Authority or an equivalent self-regulatory organization (as defined in section 3(a)(26) of the Securities Exchange Act of 1934); or”.

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