



## Sen. Dodd Financial Reform Bill

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Massive 1300+ page Bill

- Reforms financial services industry
- Provides enhanced consumer protections

Contains 2 provisions that might cripple angel investing

- Reg D reform
  - Redefinition of "accredited investor"
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Reg D Reform (Sec 926)

- Today: simple filing
- Proposed: 120 day SEC review, followed by hodge-podge of state regulations
- Could cause delays in startup financings of over 180 days
- Will cost much more for legal fees

"Accredited Investor" Changes (Sec 412 and 413)

- Today: \$1M net worth; \$200/300k income
  - Proposed: index for inflation back 30 years; \$2.2M net worth; \$449k/\$674 income
  - Reduce number of accredited investors by 77%
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## Call to Action

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### Unintended Consequence

- This wasn't Dodd's intent
- Need simple changes to bill

### Write/call your Senators & tell your friends

- Bill reported out of committee with no amendments
- Need vocal support