

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 2187  
OFFERED BY MR. SCHWEIKERT**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. DEFINITION OF ACCREDITED INVESTOR.**

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

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

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, where, for purposes  
12 of calculating net worth under this subpara-  
13 graph—

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

16 “(ii) indebtedness that is secured by  
17 the person’s primary residence, up to the  
18 estimated fair market value of the primary

1 residence at the time of the sale of securi-  
2 ties, shall not be included as a liability (ex-  
3 cept that if the amount of such indebted-  
4 ness outstanding at the time of sale of se-  
5 curities exceeds the amount outstanding 60  
6 days before such time, other than as a re-  
7 sult of the acquisition of the primary resi-  
8 dence, the amount of such excess shall be  
9 included as a liability); and

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

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

22 “(D) any natural person who is currently  
23 licensed or registered as a broker or investment  
24 adviser by the Commission, the Financial In-  
25 dustry Regulatory Authority, or an equivalent

1 self-regulatory organization (as defined in sec-  
2 tion 3(a)(26) of the Securities Exchange Act of  
3 1934), or the securities division of a State or  
4 the equivalent State division responsible for li-  
5 censing or registration of individuals in connec-  
6 tion with securities activities;

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

