

1 sor transfer agent, or nationally recognized statistical rat-
2 ing organization.”.

3 **SEC. 926. AUTHORITY OF STATE REGULATORS OVER REGU-**
4 **LATION D OFFERINGS.**

5 Section 18(b)(4) of the Securities Act of 1933 (15
6 U.S.C. 77r(b)(4)) is amended—

7 (1) by striking “A security” and inserting “(A)
8 IN GENERAL”;

9 (2) by redesignating subparagraphs (A) through
10 (D) as clauses (i) through (iv), respectively, and ad-
11 justing the margins accordingly; and

12 (3) by striking clause (iv), as so redesignated,
13 and inserting the following:

14 “(iv) Commission rules or regulations
15 issued under section 4(2), except that the
16 Commission may designate, by rule, a class
17 of securities that it deems not to be cov-
18 ered securities because the offering of such
19 securities is not of sufficient size or
20 scope.”.

21 “(B) DESIGNATION OF NON-COVERED SE-
22 CURITIES.—In making a designation under sub-
23 paragraph (A)(iv), the Commission shall con-
24 sider—

25 “(i) the size of the offering;

1 “(ii) the number of States in which
2 the security is being offered; and

3 “(iii) the nature of the persons to
4 whom the security is being offered.

5 “(C) REVIEW OF FILINGS.—

6 “(i) IN GENERAL.—The Commission
7 shall review any filings made relating to
8 any security issued under Commission
9 rules or regulations under section 4(2),
10 other than one designated as a non-covered
11 security under subparagraph (A)(iv), not
12 later than 120 days of the filing with the
13 Commission.

14 “(ii) FAILURE TO REVIEW WITHIN 120
15 DAYS.—If the Commission fails to review a
16 filing required under clause (i), the secu-
17 rity shall no longer be a covered security,
18 except that—

19 “(I) the failure of the Commis-
20 sion to review a filing shall not result
21 in the loss of status as a covered secu-
22 rity if a State securities commissioner
23 (or equivalent State officer) has deter-
24 mined that there has been a good
25 faith and reasonable attempt by the

1 issuer to comply with all applicable
2 terms, conditions, and requirements of
3 the filing; and

4 “(II) upon review of the filing,
5 the State securities commissioner (or
6 equivalent State officer) determines
7 that any failure to comply with the
8 applicable filing terms, conditions, and
9 requirements are insignificant to the
10 offering as a whole.

11 “(D) EFFECT ON STATE FILING REQUIRE-
12 MENTS.—

13 “(i) IN GENERAL.—Nothing in sub-
14 paragraph (A)(iv), (B), or (C), shall be
15 construed to prohibit a State from impos-
16 ing notice filing requirements that are sub-
17 stantially similar to filing requirements re-
18 quired by rule or regulation under section
19 4(4) that were in effect on September 1,
20 1996.

21 “(ii) NOTIFICATION.—Not later than
22 180 days after the date of enactment of
23 the Restoring American Financial Stability
24 Act of 2010, the Commission shall imple-
25 ment procedures, after consultation with

1 the States, to promptly notify States upon
2 completion of review of securities offerings
3 described in subparagraph (A)(iv) by the
4 Commission.”.

5 **SEC. 927. EQUAL TREATMENT OF SELF-REGULATORY ORGA-**
6 **NIZATION RULES.**

7 Section 29(a) of the Securities Exchange Act of 1934
8 (15 U.S.C. 78cc(a)) is amended by striking “an exchange
9 required thereby” and inserting “a self-regulatory organi-
10 zation,”.

11 **SEC. 928. CLARIFICATION THAT SECTION 205 OF THE IN-**
12 **VESTMENT ADVISERS ACT OF 1940 DOES NOT**
13 **APPLY TO STATE-REGISTERED ADVISERS.**

14 Section 205(a) of the Investment Advisers Act of
15 1940 (15 U.S.C. 80b-5(a)) is amended, in the matter pre-
16 ceding paragraph (1)—

17 (1) by striking “, unless exempt from registra-
18 tion pursuant to section 203(b),” and inserting
19 “registered or required to be registered with the
20 Commission”;

21 (2) by striking “make use of the mails or any
22 means or instrumentality of interstate commerce, di-
23 rectly or indirectly, to”; and

24 (3) by striking “to” after “in any way”.