

**THE COUNCIL OF STATE GOVERNMENTS  
RESOLUTION IN SUPPORT OF STATE SECURITIES REGULATION**

**WHEREAS**, there is now a crisis in the United States and world financial markets which demonstrates the need for strong, effective securities regulation; and

**WHEREAS**, the losses suffered in the financial markets have damaged confidence in those markets, and have greatly harmed small and retail investors; and

**WHEREAS**, financial and property market crashes have created the need for government bailouts and financial rescue packages, and the cost of these bailouts will be borne by all taxpayers; and

**WHEREAS**, federal securities regulation has repeatedly proven to be inadequate to police the financial markets and protect investors; and

**WHEREAS**, the state securities agencies have effectively filled the gaps left by other regulators and have energetically protected retail investors; and

**WHEREAS**, CSG favors preserving a diversity of financial regulators, state and federal, that can act independently when such independence is warranted; and

**WHEREAS**, the financial services industry wishes for the regulatory authority of the states to be diminished or preempted because the states have regulated effectively and aggressively;

**NOW, THEREFORE BE IT RESOLVED** that The Council of State Governments urges that the United States Congress and the President of the United States maintain and enhance the ability of the states to protect the investors and consumers residing in their states taking no action that would jeopardize, diminish, or preempt the existing authority of the states to investigate and prosecute investment fraud and other illegal investment activities by broker-dealers, investment advisers, their agents and representatives, financial planners, and any other persons or entities, whether licensed or unlicensed, engaged in activities in connection with the offer and sale of securities within a state.

**BE IT FURTHER RESOLVED** that a copy of this resolution shall be forwarded to each member of the United States Congress and to the President of the United States.

Adopted this 14<sup>th</sup> Day of November, 2009 at the CSG Annual Conference in La Quinta, CA.



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Governor Joe Manchin III, West Virginia  
2009 CSG President



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Sen. Bart Davis, Idaho  
2009 CSG Chair