



STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

September 14, 2022

Andrea Seidt, Esq.
North American Securities Administrators Association, Inc. (NASAA)
750 First Street, N.E., Suite 990
Washington, DC 20002

Re: Proposed Revisions to NASAA Statement of Policy Regarding Real Estate Investment Trusts

Dear Ms. Seidt:

I am writing to express my opposition to a new regulatory scheme proposed by The North American Securities Administrators Association (NASAA). This proposal would limit investment concentration by accredited and non-accredited investors alike in non-listed real estate investment trusts (REITS).

This is an example of government regulators, once again, imposing a solution in search of a problem. Over the past half-dozen years, the rapid growth of a new generation of non-listed REITs has provided individual investors new opportunities to optimize risk and return. These market-based changes have greatly improved market practices and have driven the entire industry to higher product standards.

Now comes word that NASAA also wants to impose the same regulations on non-listed business development companies (BDCs), a vital lifeline for small- and medium-sized private businesses that have been ignored by mainstream financial institutions.

During my time as Governor of Arizona we have attracted billions of dollars in new investment to our state, producing one of the strongest economies in the nation, and bringing in hundreds of thousands of new jobs. We've done this by being welcoming to business and investment, and recognizing that unnecessary and burdensome regulations often hurt most those they intend to help. That's why under my administration we have reduced the regulatory state by 3,365 rules and regulations.

Imposing concentration limits even for sophisticated accredited investors will hurt the very market forces that propel our economy. I urge your opposition to these proposed changes.

Sincerely,

Douglas A. Ducey
Governor
State of Arizona

cc: Marc Heuerman, Esq.