

February 13, 2024

Fabricio R. Murillo Garcia
Alexandria, VA

To: Secretary of Commission
Re: Amending the Definition of Accredited Investor

Dear Commissioners,

As a citizen seeking for the further development of our nation and the inclusion of more fellow patriots to the investment field, I am respectfully submitting the following petition regarding the definition of an Accredited Investor.

According to the established financial criteria, an individual would be qualified as an accredited investor if:

- 1) Net worth over \$1 million, excluding primary residence (individually or with spouse or partner); or
- 2) Income over \$200,000 (individually) or \$300,000 (with spouse or partner) in each of the prior two years, and reasonably expects the same for the current year.

My petition is directed to a loophole in the definition, for people who would qualify if a combination of both criterions is considered. As a first example, an individual who is currently earning \$195,000 per year and at the same time said individual has a net worth of \$900,000, said individual is not qualified as accredited investor because he or she is not making \$200,000 nor having a net worth of \$1,000,000 (even when in this example this person would be much solvent than a person just making \$200,000 with no assets).

Hence, my analysis for a second example is: since a \$200,000 income would be equivalent to \$1,000,000 in net worth, I am suggesting that, perhaps, if a combination of income and assets is used as a criterion, a person making \$175,000 per year would also

need assets/cash of \$125,000 for the missing \$25,000 in income, by following a simple rule of three.

If:

\$200,000 income is equivalent to	\$1,000,000 net worth
\$25,000 missing income (for an individual with income of \$175,000)	x?

Then:

$$X = (1,000,000 * 25,000) / 200,000$$

$$X = 125,000$$

That is, the individual making \$175,000 a year would also need a net worth of \$125,000 to be qualified as an accredited investor. Same analysis could be applied for those with a net worth close to \$1,000,000. In that case, an equivalent in income should be calculated to be combined with the current net worth.

By incorporating this amendment, more households and individuals would be able to invest in different securities. Therefore, I am respectfully requesting the consideration of this proposal.

Sincerely,

Fabricio R. Murillo Garcia