



Montana State Legislature
MONTANA HOUSE OF REPRESENTATIVES

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Subject: File No. SR-NYSE-2023-09 Asking the SEC to NOT ALLOW NACs

To all involved at the SEC:

I am urging the SEC to NOT allow the NYSE to list "Natural Asset Companies" or NACs, pursuant to File No. SR-NYSE-2023-09.

This new scheme will damage personal property rights that have been in place since the founding of our country. No one in their right mind would think letting an unknown entity owning the air above ground should dictate the uses of the landowner.

It is clear that from an investor protection perspective, NACs bastardize the capital markets for a political objective. Which is substantiated with the need for a special type accounting system. This comes directly from the creator of the "NACs", IEG's Chairman & CEO, who said, "We created a new accounting system, which we called Statements of Ecological Performance, which account for the flow of ecosystem services in financial terms." (Source: <https://investinginregenerativeagriculture.com/2022/11/29/douglas-eger/>). Even if they use GAAP accounting within NAC financial reporting, their hubris that there are some separate accounting measures to be used within the financial markets raises too many red flags to count and should be immediately disqualifying.

NACs seek to use others' money, including that obtained via the capital markets, to buy the ability to control or "manage" productive public and private land and other natural resources. Their stated purpose in doing so is not to make a profit or to be productive, but rather to protect, conserve, restore and preserve these natural "assets", based on whatever their own definitions of those activities are.

As you well know, there is a very clear reason that a company goes public. It is to broadly access capital to provide both funding for growth and liquidity for existing investors, providing opportunities for investors to participate in future growth for the risk they take on. Companies are supposed to have strong merits and provide a path to growth for public investors in exchange. It is a rigorous and costly process both to become public and to stay public, and it is not for every business.

These NACs are a bastardization of that purpose. They aren't seeking to manage resources to improve their earnings potential, rather they would often be seeking to remove the productivity of assets in the name of some type of climate justice. Not only could this impact our ability to generate and access energy, critical minerals, water and food, but it could also put those decisions in the hands of institutions, such as foreign governments and their sovereign wealth funds, who could invest in these NACs and have de facto control over America's resources.

The focus on the SEC is protecting investors. NACs allow investor money, particularly those deployed through entities that they may not control, such as pension funds, for example, to be used to decommission resources and make them non-productive for political means. Americans and the SEC cannot allow that to happen.

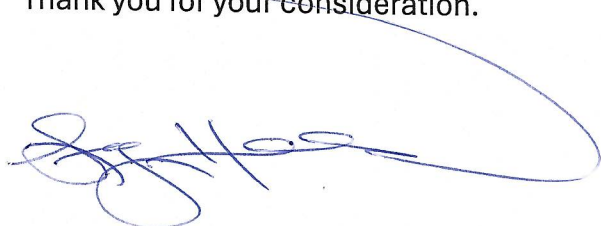
If you have any questions on whether this is a political tool meant to subvert the legal process, read the words of IEG's Chairman, who said, "We were looking for a private-sector approach that wasn't dependent on policy, it wasn't dependent on traditional taxes, regulation or philanthropy to price in these assets and give investors the opportunity to invest directly in nature, whether that's for climate or biodiversity."

(Source: <https://eenews.net/articles/invest-in-nature-might-be-possible-with-natural-asset-companies/>).

The bad outcomes here will include the subjugation of the fiduciary duty to do what is in the best interest of investors. Critical natural resources will be subject to the consolidation of a handful of wealthy and powerful individuals. And, even more frightening, control of productive resources- as well as our food supply, water, energy, tourism and more- could end up in the hands of foreign nations and their sovereign wealth funds or other bad actors.

Wall Street often cultivates a bad reputation and the SEC is supposed to be a counterbalance to make sure the markets are free and fair for everyone and have the interests of all investors at heart. Do the right thing, and not that which is politically-pushed and elite power-driven; do not allow NACs to access our capital markets via NYSE listings or otherwise.

Thank you for your consideration.

A handwritten signature in blue ink, appearing to read 'Lyn Hellegaard', with a large, sweeping flourish extending to the right.

Lyn Hellegaard, Rep. HD 97