



**Nevada Society of Certified Public Accountants**  
Nevada CPA Foundation for Education and Research  
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April 8, 2010

The Honorable Harry Reid  
Majority Leader of the Senate  
522 Hart Senate Office Building  
Washington, DC 20510

Dear Majority Leader Reid:

We are writing to you on behalf of the 1600 members of the Nevada Society of CPAs to express our opposition to any amendment to the Restoring American Financial Stability Act of 2010 that would permit a private right of action for aiding and abetting violations under the Securities and Exchange Act of 1934. The Restoring American Financial Stability Act of 2010, as introduced, does not permit private rights of action under the securities laws, and we applaud the leadership of Senator Dodd for not including such language in this bill.

If an amendment is offered to expand liability through a private right of action, plaintiff attorneys could include in securities class action cases parties that had only a marginal relationship to a fraudulent actor. If enacted, all sorts of businesses, large and small, would face an entirely new set of legal claims, especially in the accounting profession. Because securities class actions tend to seek massive damage awards, many companies, even those bearing no culpability whatsoever, will feel compelled to settle a case as opposed to going to trial so as not to run the risk of losing a “bet the company” verdict.

We strongly support the current authority of the SEC to pursue aiding and abetting cases because of its experience and focus on protecting the capital markets from fraudulent conduct. Unfortunately, history shows that granting parallel authority to plaintiff attorneys will simply result in increased litigation based on the perverse hopes of extracting large settlements from deep pocketed defendants.

Please oppose any amendment that would allow private rights of action for aiding and abetting cases.

Sincerely,

A handwritten signature in black ink that reads "Michael E. Davis".

Michael E. Davis  
President

A handwritten signature in black ink that reads "Nicola Neilon".

Nicola Neilon  
Legislation Committee Chair

cc: Sharon Uithoven  
Executive Director