



Cladis
INVESTMENT ADVISORY, LLC

Exhibit No. 4

Date 3-8-11

Bill No. HB 81

Experience
Service
Commitment

January 11, 2011

House Judiciary Committee
c/o Ken Peterson, Chair

RE: HIB 81 (Act creating a Securities Restitution Assistance Fund)

Dear Chairman Peterson and Committee Members:

I urge you to support the passage of HB 81.

Unfortunately, in our industry some people behave badly and in many cases an unsophisticated individual becomes a victim of that behavior.

In many cases the amount of money lost may not be enough to allow the victim to seek remedy from our legal system or in many cases the victim has proven wrong doing, but there are no funds available from the named party to return lost funds.

I understand that investing has risks. However, in too many cases, misleading advisors play on people's lack of understanding or information and create losses that are devastating to their personal financial situation. This bill would:

- 1) Allow for restitution when regulators agree that it is appropriate.
- 2) Cap the amount at \$25,000.00.
- 3) Make the funds available from fines of bad behavior, not the tax payers.
- 4) Impose penalties for false application to limit any abuse of the fund.
- 5) Place statutory limits that are reasonable.
- 6) Provide qualified regulators that will prudently oversee the process of this resistance fund.

With 38 years of expertise in the securities industry I have experienced incidents that have damaged investors beyond what they understand to be their risks. Our industry is built on trust. The violation of that trust can cause financial setbacks that are life changing to many victims even if the amount may appear small to traditional lawsuits and recovery for victim.

This bill allows for a regulated source of funds and a process for a fair opportunity for victims to recover some or all of their losses.

If I can be of any further assistance or you would like me to testify personally, I would do all I could to be available to you and your committee members.

Please support this bill – it will help those who are damaged with little or no alternatives to recover their losses.

Respectfully,


Nick Cladis