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March 18, 2010

U.S. Senator Bob Corker  
185 Dirksen Senate Office Building  
Washington, DC 20510

Dear Senator Corker:

As the Executive Director of Nashville Capital Network, an organization that helps early stage entrepreneurs connect with angel investors, I am writing to share my concern about Section 412 of the "Restoring American Financial Stability Act of 2009" proposed by Senator Dodd.

As I understand it, this legislation would change the definition of "accredited investor" from an individual of \$1 million in net worth or \$200,000 in annual income to about \$2.3 million in net worth or \$450,000 in annual income.

Nashville Capital Network manages a network of 75 Tennessee based angel investors. While many of our members would qualify as accredited investors under the new guidelines, some of our angels would not. These investors would no longer be able to participate in supporting entrepreneurial ventures through private investment. Changing the definition of accredited investor decreases the potential pool of angel investors who support promising early stage companies and will disrupt the launch of high growth ventures in our country.

Fewer eligible investors will lead to fewer funded entrepreneurs. That's bad news for Tennessee and the potential of new companies and jobs. This provision jeopardizes the work and momentum of investment angels and entrepreneurs across our state.

Since our launch in 2003, NCN angels have funded 19 companies with nearly \$18 million. The total capital invested in transactions involving NCN angels is over \$70 million. Our investors are professional investors who are qualified to research, evaluate, and structure the investments they are making in early stage companies. Our investors also recognize the importance of maintaining and supporting the entrepreneur ecosystem.

Senator Corker, we urge you to call for the removal of Section 412.

For more information, attached is a joint release from the National Venture Capital Association and the Angel Capital Association who have stated their unified opposition to this legislation. I am happy to answer any questions you have about Nashville Capital Network, angel investing, or our opinions on this legislation. I am available at (615) 322-3154.

On behalf of Nashville Capital Network, I want to say thanks for your service to the State of Tennessee.

Thank you,  
Sid Chambless  
Executive Director  
Nashville Capital Network