

October 2, 2026

Office of the Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Re: File No. 4-931 — Potential Designation of Passage of an Accredited Investor Exam to Be Developed by FINRA (Release No. 33-11445)

Dear Commissioners:

I support a knowledge-based path to accredited investor status, provided the exam cannot be passed by repetition rather than understanding. I write to recommend three safeguards: limits on retakes, strong question-bank security, and investment limits for exam-qualified investors.

My name is Ken Finnen. I was a floor trader on the New York Stock Exchange from 1989 to 2009. For many years I have tutored candidates for FINRA and NASAA licensing exams, including the SIE, Series 7 and Series 65, through Capital Advantage Tutoring Services. I am also the technical editor of *Series 7 For Dummies*.

In the interest of transparency: I operate an exam-preparation business and could offer preparation for this exam. My recommendations are based on what I have seen candidates do on licensing exams, not on any commercial interest.

Support and core concern

An exam-based pathway would let people who genuinely understand private investments participate in them, regardless of income or net worth. That is a sound goal, and it can bring knowledgeable capital into better-structured deals.

The risk is that the credential becomes a test of persistence rather than sophistication. A low-cost exam with short retake intervals invites candidates to sit for it repeatedly until they recognize enough questions to pass. A candidate who passes this way holds the same 10-year credential as one who mastered the material.

This exam also differs from FINRA's qualification exams in one important way. A Series 7 candidate is sponsored by a firm, supervised afterward, and subject to continuing education. A person who passes this exam answers to no one, and the credential alone opens the door to illiquid, high-risk offerings. The exam is the only safeguard, so it must hold up.

Recommendation 1: Limit retakes

The release notes that FINRA has proposed shortening its exam waiting periods to 15 and 60 days and expects that change to apply to this exam. I urge the Commission and FINRA to set a stricter standard for this exam specifically:

Attempt	Waiting period before next attempt
After 1st failure	30 days
After 2nd failure	60 days
After 3rd failure	180 days

In addition, I recommend a cap of three attempts in any rolling 12-month period.

These limits do not keep anyone out. A candidate who studies can still pass on the first or second try. They make memorizing questions across many sittings impractical, and they give a failed candidate time to actually learn the material.

Recommendation 2: Protect the question bank

Retake limits stop one person from memorizing the exam. They do not stop many people from pooling what they saw. A popular, inexpensive exam will attract "real exam questions" websites as soon as it launches. I recommend that FINRA:

- Maintain an item bank large enough that no two candidates are likely to see substantially the same form.
- Retire and replace questions on a regular schedule, and promptly when they appear online.
- Actively monitor for leaked questions and treat their use as grounds to invalidate a result.

I ask the Commission to make the integrity of the item bank a condition of designating the exam.

Recommendation 3: Consider investment limits

The financial thresholds in the current definition test something an exam cannot: the ability to absorb a loss. Knowledge and capacity are different things. A candidate can understand illiquidity perfectly and still invest money they cannot afford to lock up or lose.

I recommend the Commission consider limiting how much an exam-qualified investor may place in private offerings each year, as a percentage of income or net worth. Regulation Crowdfunding already uses this approach. Such a limit would preserve access while keeping a single bad investment from becoming a financial catastrophe.

Closing

A well-designed exam can broaden access without weakening investor protection. Retake limits, a secure question bank, and sensible investment limits would make the credential mean what it claims: that the holder understands what they are buying. I would be glad to share further observations from my experience preparing candidates for licensing exams.

Respectfully submitted,

Ken Finnen

Capital Advantage Tutoring Services

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