



## H.R. 6513 – Securities Act of 2008

---

### FLOOR SITUATION

---

H.R. 6513 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Paul Kanjorski (D-PA) on July 16, 2008. The bill was referred to the Committee on Financial Services, but was not considered.

H.R. 6513 is expected to be considered on the floor of the House on September 9, 2008.

---

### SUMMARY

---

SEC Enforcement Program: The bill gives the SEC the authority to impose monetary penalties in cease and desist proceedings; authorizes nationwide services of subpoenas; allows the SEC to prevent regulated persons who violate the federal securities laws in one part of the industry from entering other segments of the securities industry.

Scope of Exemption from State Securities Regulation: H.R. 6513 bill enables the New York Stock Exchange (NYSE), the American Stock Exchange (AMEX), and NASDAQ to develop new listing tiers that would be subject to both Federal and state blue sky regulations. It also requires that the listing standards for the new tiers be approved by the SEC and ensures that U.S. exchanges can compete on a level playing field with their foreign counterparts and help companies raise capital in the U.S.

*\*Note: This provision was previously passed by the House as a stand alone bill (H.R. 2868) by voice vote on October 23, 2007.*

Securities Investor Protection Act (SIPA): The bill would modernize the portfolio-margining for customers of broker-dealers. The bill amends SIPA so as to allow investors to hold all equity-related positions in a single account. As a result, investors receive the benefit of risk-sensitive margining that rewards hedging strategies.

Annual Testimony: H.R. 6513 requires the SEC, the Financial Accounting Standards Board, and the Public Company Accounting Oversight Board to provide oral testimony to the Committee on Financial Services on their efforts to reduce the complexity in financial reporting, thereby making U.S. regulators and standard-setters more accountable to the capital markets.

*\*Note: This provision was previously passed by the House as a stand alone bill (H.R. 755) by a vote of 412-0 on February 27, 2007.*

Technical Corrections: The bill makes technical corrections to the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, and the Investment Advisers Act of 1940.

*\*Note: The House passed a bill (H.R. 3505) that is identical to this provision on December 5, 2007, by a vote of 404-0.*

---

### BACKGROUND

---

The U.S. Securities and Exchange Commission (SEC) is the federal agency that enforces U.S. securities law. In addition to the SEC, each state has its own securities laws, commonly referred to as blue sky laws, that regulate the sale of securities and protects the public from fraud.



# LEGISLATIVE DIGEST

HOUSE REPUBLICAN CONFERENCE | CHAIRMAN ADAM PUTNAM

1420 LONGWORTH HOB, WASHINGTON, DC 20515

www.GOP.gov

PHONE 202.225.5107

FAX 202.226.0154

The mission of the SEC is “to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation.” This legislation includes components of the SEC’s legislative requests submitted to Congress in 2007 and 2008.

H.R. 6513 would enact components of the SEC’s legislative requests submitted to Congress in 2007 and 2008 to enhance its corporation finance, enforcement, investment management, trading and markets, examinations programs and administrative functions.

The legislation would strengthen investor confidence, enhance the U.S. capital markets’ competitiveness, increase the effectiveness of the U.S. Securities and Exchange Commission (SEC), and bolster the SEC’s enforcement program. SEC Chairman Cox has expressed his full support for the legislation; the North American Securities Administrators Association supports the legislation. The Options Clearing Corporation, American Stock Exchange, Boston Stock Exchange, Chicago Board Options Exchange, International Securities Exchange, NYSE Arca, and Philadelphia Stock Exchange support Section 9 of the bill.

---

#### COST

A Congressional Budget Office cost estimate is not available for this legislation.

---

#### STAFF CONTACT

For questions or further information contact Brianne Miller at 6-2302.