



Securities Industry Association

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February 25, 2004

The Honorable Mike Oxley
Chairman
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Oxley,

SIA supports H.R. 2179, The Securities Fraud Deterrence and Investor Restitution Act and the accompanying Manager's Amendment. The Act is designed to enhance the authority of the SEC to investigate, punish and deter securities laws violations, and to improve the SEC's ability to return funds to defrauded investors. In addition, the legislation requires in Section 8 a study by the Securities Exchange Commission and NASAA on "improved coordination, cooperation and communication", a provision that SIA strongly supports.

Furthermore, SIA commends the Committee on its previous action in passing H.R. 2420, the Mutual Funds Integrity and Fee Transparency Act, which went on to pass the House by an overwhelming 418 to two vote. The legislation contains well-crafted and effective provisions aimed at promoting ethical behavior, strengthening compliance, detecting and preventing fraud, and clearly defining what constitute acceptable practices and procedures in the mutual fund industry. In addition the Securities Exchange Commission is moving forward with an aggressive agenda to address mutual fund issues including late trading, market timing, soft dollars, and point of sale disclosures.

We understand the Committee will be considering further mutual fund amendments in the context of H.R. 2179. **SIA believes additional mutual fund action by the Committee is unnecessary at this time and does not need to be addressed in H.R. 2179.**

Maintaining the public trust and confidence is the bedrock principal of our capital markets. H.R. 2179 further allows the SEC to build on the preeminent role they have in our national system and restore that trust and confidence. We encourage all members of the Committee to support H.R. 2179.

Sincerely,

Steve Judge
Senior Vice President,
Government Affairs

Richard Hunt
Senior Vice President,
Federal Policy